policy REVIEW

Winter 1984 Number 27 $3.50

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A Symposium

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Jerry Falwell's Renaissance
Dinesh D'Souza

For the Family
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How to Win in El Salvador
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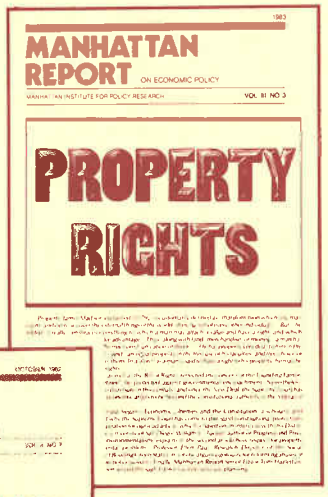

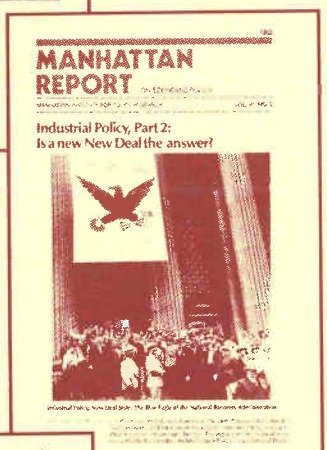

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Policy Review is available on microfilm from University Microfilms International, 300 N. Zeeb Road, Ann Arbor, Michigan 48106. The International Standard Serial Number for *Policy Review* is ISSN: 0146-5945. National distributor for newsstands and bookstores: B. DeBoer, 113 E. Centre Street—Rear, Nutley, New Jersey 07110, (201) 667-9300.

Policy Review is distributed in Europe by Periodicals in Particular, One Prince of Wales Passage, 117 Hampstead Road, London NW1 3EE.

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Number 27

Letters

Distorted Reflections

Dear Sir:

"Madness and Guilt" (Summer 1983) presents only a simulacrum of John Hinckley, Jr. Kenneth Minogue writes elegantly of a sham figure without human feeling, a happy loafer devoid of guilt or despair, jerrybuilt out of odds and ends to serve as a whipping boy for righteous wrath, but he ignores the real person on whom this caricature is based. And what are these odds and ends? A few phrases of Mr. Hinckley more easily understood as bravado or defiance than vicious psychopathy, and of one of the psychiatrists testifying for the prosecution. In reality, the life of John Hinckley, Jr., was miserable. In spite of apparently good parenting, he was alienated and friendless. Unlike his siblings, he was unable to be consistent or productive. This young man without guilt attempted suicide seriously at least twice. His father's description of their last encounter before the assassination attempt occurred excites pity for the suffering humanity involved on both sides, not the disdain expressed by Professor Minogue.

To explain this aberration, this puzzling failure to fit, psychiatry invokes the concept of mental illness. Mental illness exists. It can be dismissed only by applying to it the stiflingly narrow criteria of Thomas Szasz (author of *The Myth of Mental Illness*), with which Professor Minogue evidently agrees. Philosophical and clinical justifications are ample. Indeed, without such an explanatory vehicle and the range of dispositional options that it affords for dealing with certain otherwise inexplicable instances of violence, our society would be barbaric.

Certainly, the insanity defense is open to abuse. But so is any principle otherwise good and useful. Nor can the unpopularity of the Hinckley verdict be used as a crushing argument against it. Would Professor Minogue hold that every mass judgment is inevitably right and correct? Admittedly, Mr. Hinckley is not as clear-cut an example of not guilty by reason of insanity as some others, but the jury on the basis of testimony that it considered compelling was convinced that the defendant lacked the *mens rea* that would have made him culpable. It can be argued that they erred. If so, they erred on the side of a compassionate morality offered by a caring society willing to undertake the hard task of making distinctions in degrees of responsibility.

Paul Chodoff, M.D.
Clinical Professor of Psychiatry
George Washington University
Washington, D.C.

Kenneth Minogue replies:

If we do construe Mr. Hinckley's remarks as bravado, then he is indeed pathetic, but he is also sane and responsible. And when we remember that his defiance concerns a particularly vicious attempted murder, then Dr. Chodoff's compassion seems to me misplaced. Ultimately, no doubt, one must see the pathos in everyone. To adapt the dying words of Heine: "God will forgive him. That's his trade." Here below, we must take other things into account. Dr. Chodoff infers from Mr. Hinckley's lack of consistency an *inability* to be consistent. The evidence is far from conclusive. It seemed to me plausible to detect an element of cunning manipulation of public responses in some of the things he said and did. In Mr. Hinckley's case, no practical issues arise, since there can be no denying that he is a dangerous man to leave free. My concern is with the general and conceptual questions, and here the point may be summed up in the legal maxim that hard cases make bad law. It does no service to others psychologically balanced on the margin of impulsive, self-advertising violence to bend the rules out of generalized and therefore sentimental compassion. It is in the logic of a certain kind of psychological understanding that it will always find a sufficient reason for any kind of behavior at all. But this should not undermine law and morality, whose business it is to make justified demands upon us.

Nuclear Blast

Dear Sir:

Whatever the faults of journalism, print or broadcast, blaming the woes of nuclear power on a bad press, as Professor Cohen does in "Nuclear Journalism" (Fall 1983) is akin to shooting the messenger.

Bill Lee of Duke Power, one of the country's most prominent utility executives, doesn't blame bad reporting when asked why he would not order a new nuclear plant in 1983. He blames high costs.

Bad journalism didn't create the construction disaster at the unfinished nuclear plant in Midland, Michigan, now 10 times over its budget and a decade behind schedule. Bad reporting did not create the financing disaster of the Washington Public Power Supply System and its four canceled nuclear power plants. And bad reporting certainly was not responsible for the Three Mile Island accident and its billion-dollar cleanup and repair bill.

No amount of bad reporting would even dent the success of nuclear power, if indeed it were too cheap to meter, to quote the unfortunate forecast of an early chairman of the Atomic Energy Commission.

In the final analysis, nuclear power is just another form of technology and it stands or falls on its success as technology, whether it meets the marketplace demands of price and reliability, not whether it gets a good press. Jet air travel and the computer industry didn't succeed because of press coverage but because these new technologies worked reliably enough at a low enough price to offer a real advantage over alternatives—over trains and propeller planes in the one example, over slide rules and the abacus in the other.

To put the argument another way, if the new nuclear plant at Shoreham, New York, were to lower electricity rates by 56 percent rather than raising them by that amount, there is little doubt the arguments about safety would fall on less receptive ears.

Nuclear journalism is more than reporting on safety issues; it is also the journalism of cracked pipes, faulty welds, pipe corrosion, design errors, metal fatigue, and downright industrial mismanagement.

Professor Cohen writes that "if the public is misinformed, journalism must be to blame" and "as a result of that vast gulf of misinformation utilities are cancelling nuclear power plants and building coal-fired plants instead." The premise is simply wrong.

Robert Schakne
CBS News
Washington, D.C.

Bernard Cohen replies:

By far the most important information in Mr. Schakne's letter is what it doesn't say. He is replying to an article that accuses him and his media colleagues of knowingly and purposefully practicing gross deception on the American public by shameless exaggeration and unbalanced coverage, by intentionally withholding vital information and substituting misleading material for it, by distorting scientific information to the extent that its implications are completely reversed, and by other unforgiveable abrogations of their responsibility to transmit the truth to the public. The article shows that this behavior has grossly distorted the American public's perspective on risk and its priorities on risk avoidance, and that this distortion is annually causing thousands of needless deaths and wasting billions of dollars. Yet he makes no attempt whatsoever to deny or to refute these charges, or to defend these despicable practices. What clearer demonstration of callous cynicism, not to say admission of guilt, could there be?

Selective Reporting

Dear Sir:

James Bovard's ambitious article, "Busy Doing Nothing" (Spring 1983), presents the sorry history of the federal government's job creation and training efforts for the past 22 years. But I must take total exception to his uninformed, shooting-from-the-hip characterization of this administration's job-training program, yet to be launched, as more of the same. Without a single fact to back his contentions that the Job Training Partnership Act is going to be just another federal boondoggle, he applied a smear of innuendo by ignoring some vast differences in JTPA for all previous government efforts.

He ignored the obvious fact that public service employment is *not* a part of JTPA. He ignored the obvious fact that costly and useless training allowances and stipends have been severely curtailed under JTPA. He ignored the obvious fact that stringent performance standards have been established to prevent misuse and abuse of JTPA funds. And he ignored the obvious fact that the American people cannot hope to raise the employability level of vast numbers of ill-prepared and economically disadvantaged workers without some help from an administration that seeks to improve the economic status of all Americans.

Far more devastating is Mr. Bovard's callously cynical concept of the American free enterprise system as represented by the private sector, which he labeled as simply moneygrubbers eager to line their pockets with a few paltry dollars cadged from JTPA funds.

But having said these things, I refer you to The Heritage Foundation's views on federal government training efforts, published in Issue Bulletin No. 88 last fall. In referring to the Senate bill, which was the version that was eventually enacted, the bulletin said the "bill is a long-overdue first step in reforming CETA. By creating a concrete training program, it prepares its participants for existing private sector positions rather than acting as a temporary income maintenance scheme as in the past. In particular, the increased participation of the private sector should enhance the program's chances of success. Because business leaders would play a much greater role, training programs would be geared to the skills most in need."

The bulletin says much more, but the plain fact of the matter is that Mr. Bovard was determined to disparage all government efforts without giving President Reagan's reforms a chance.

Albert Angrisani
Assistant Secretary for Employment and Training
Department of Labor
Washington, D.C.

The Noncash Compensations of College

Dear Sir:

I don't believe the higher education emperor is altogether naked, as Warren C. Robinson clearly does in "Educational Disinvestment" (Fall 1983), but his finery is surely tattered and his socks are drooping.

It isn't even necessary to be an economist to figure out that when a scarce commodity of considerable value is suddenly made available to almost everyone who wants it, its value will diminish. That is why DeBeers hoards diamonds. If having a college degree resulted in 50 percent more income than having only a high school diploma two decades ago, when fewer than 8 percent of all adults possessed the advanced credential, it stands to reason that it would be rather less of an advantage in an era when nearly one adult in five possesses it. We ought

not overlook the fact, however, that it is still economically advantageous—in the average case—to have a college degree.

The classic problem with cost-benefit analysis, applied to education, is that most people regard education as intrinsically desirable and valuable on noneconomic grounds, too. Even if I thought my children would earn no more money in consequence of attending college, I would still want them to do so, and I would set forth numerous reasons to explain this strong impulse that would be deemed wholly irrational by any economist. (Of course, one reason I want them to attend college is because they must do that before they can attend graduate or professional schools, some of which yield marked economic benefits.) If I belonged to an "approved minority," I suspect my impulse would be even stronger, and my reasons more numerous.

Should society underwrite the irrational impulses of its individual members? I suppose it does little good to observe that it does so already, and in myriad domains of irrationality, sometimes expending far more money for the purpose than it does for higher education. Consider health care, for example—though here we are more apt to tolerate irrationality because we are squeamish about assigning economic value to the maintenance of an individual human life.

I do believe that education can confer a large number of extremely important but essentially noneconomic benefits to the society as a whole, and that these ought not be confined to persons able to purchase it. I also believe, however, that most of those benefits would be satisfactorily conferred by high-quality elementary and secondary schooling, which is why I am heartened by the widespread attention now being paid to school standards, teacher competence, and the other key components of sound basic education. Some of those components will likely require greater public investment, and I would be content to see additional funds for education channeled in that direction rather than to the further enlargement of higher education.

That is not the same as "disinvestment" in education. I subscribe to the human capital notion, so long as we construe that capital in cultural, intellectual, civic, and social terms as well as economic. I also subscribe to the view—perhaps it is only a hope—that sound general education ultimately makes for a more vibrant and productive economy. But again, that has to do mostly with elementary and secondary education.

There is no reason whatsoever that everyone should go to college. I would only stipulate that access to college not be denied to those whose parents are poor. So we should set high academic standards for entry. We should price college at something approximating the true cost of attending it. And we should aid those who meet the standards and want to attend but cannot afford to do so unless the society augments their resources.

Chester E. Finn, Jr.
Professor of Education and Public Policy
Vanderbilt University
Nashville, Tennessee

Who Will Play God?

Dear Sir:

I find the cost-benefit issue both interesting and important. As such, I eagerly read Thomas G. Marx's article, "The Cost of Living" (Summer 1983). Although the article did point out some of the problems, the author's conclusion was a major disappointment. Reliance upon the political process jettisons any attempt at nonarbitrary resolutions of health and safety questions. Looking to Congress to balance efficiency and ethics is what got us into the mess that cost-benefit analyses supposedly could cure.

The fundamental ethical criticism of cost-benefit analysis is not that placing dollar values on lives is immoral. It is not the placing per se that is crucial. It is who does the placing that is the key ethical concern. When government uses its sovereign powers to force persons to bear risks or to pay for the avoidance of risk, an immoral action has occurred. In the absence of cost-benefit standards, these immoralities have a certain random quality to them. The aim of cost-benefit analysis is to reduce the randomness and achieve some consistent measure of the general welfare.

Both cost-benefit analysis and the political process suffer from the same ethical shortcoming: They both operate on the collectivist premise that the government should initiate the use of force in order to promote the general welfare. Since value is subjective and individuals have the right to live their own lives in any peaceful manner they choose, having the government promote the general welfare by force is neither efficient nor ethical.

Enlightened public policy would seek ways of enhancing the individual's voluntary pursuit of his own happiness. Cost-benefit calculations properly are the inherent right of each individual. The role of the political process is to defend the individual's right to make decisions, not to make them for him.

John Semmens
Arizona Department of Transportation
Phoenix, Arizona

Thomas G. Marx replies:

Mr. Semmens strongly expresses a basic libertarian philosophy: "The role of the political process is to defend the individual's right to make decisions, not to make them for him." I am not without sympathy for this view. However, the libertarian philosophy becomes absurd when it fails to recognize any need for collective decision making in the face of externalities, free-rider problems, and other limitations on the private market's capacity for reconciling individual decisions with social welfare.

The provision of highways throughout the United States is the result of collective decision making because of the private market's inability to provide individuals with what they wanted. I would find it difficult to argue we are worse off because of this substitution of collective for individual decision making.

Mr. Semmens should not be dismayed by the proposed approach to cost-benefit analysis. The eclectic use of cost-benefit analysis based on the willingness-to-pay ap-

proach to valuing life-saving programs does recognize that individual decisions ought to count. This approach also recognizes that the voluntary assumption of risks in reasonably well functioning markets imposes a strong moral obligation on the government to respect the individual's right to choose.

In other circumstances individuals may be forced to assume risk because of market limitations or an inability to evaluate extremely complex information. Collective decision making then becomes necessary to protect the individual's freedom to choose—a freedom that can be denied by imperfect markets as well as imperfect governments.

I have never found simple answers to complex issues very satisfying. The eclectic approach is messy. Nevertheless, the balancing of extremely delicate trade-offs between life and liberty is the only way to ensure the preservation of each. I would not want life without liberty, but liberty without life isn't all that appealing, either.

A Bilingual Debate

Dear Sir:

Policy issues in education, if they are to be resolved intelligently, need careful and reasoned analysis and discussion. It is regrettable that Robert E. Rossier's article, "Bilingual Education: Training for the Ghetto" (Summer 1983), which represents an emotional treatment of its subject, fails to meet this need. Although the author presumes to write authoritatively about bilingual education, there is no indication that he has ever visited a bilingual classroom.

First, let it be recognized that all bilingual programs—as their very name implies—make use of *two* languages, one of which (in the United States) is English. In fact, a recent study by Michael O'Malley showed that students in bilingual programs receive *more* instruction in English than do students in regular school programs. Indeed, an irony is that many of the programs that opponents of bilingual education attack are actually English as a second language programs (ESL) that have fraudulently called themselves bilingual in order to collect federal or state funds.

Secondly, a consistent research finding has been that *the greater the use of the students' language in class, the better their achievement in English.* Though this may sound paradoxical, Mr. Rossier's own data support the finding. He reports that Hispanic students in Los Angeles who had been educated in their own countries at least through elementary school "compared favorably with their English-speaking classmates in class rank [and] gradepoint average" on graduation from high school. His intent was to argue against the need for bilingual education, but his evidence points to the value of education in the native language through grade six on achievement in English. Thus his position is weakened by his own evidence.

Thirdly, Mr. Rossier's positive view of pre-1970s special programs for non-English speakers in the Los Angeles schools is contradicted by the facts on dropout rates for those years. Again, evidence from evaluations of bilingual programs shows that attendance in these programs is consistently higher, which in turn positively affects achievement and retention.

A central point in Mr. Rossier's argument appears to be the lack of adequate program evaluations I reported in 1978, based on a study carried out while I was director of the Center for Applied Linguistics (which, incidentally has never been a federally funded organization). This dearth of valid evaluations says nothing about the quality or effectiveness of bilingual programs, but rather reflects the sad state of educational-program evaluations generally, not merely in bilingual education. What is important is that the large majority of those evaluations that do meet stringent criteria for quality show positive results for bilingual education.

A number of other statements in Mr. Rossier's article represent serious distortions of fact and require correction. For example:

- Anyone familiar with the history of bilingual education in the United States knows that it was initiated by educators, not politicians.
- The history of bilingual education directly contradicts the claim that it was initiated for the immediate economic benefit of any group. It has been difficult to find sufficient personnel for programs; school districts have been resistant to admitting minorities to their teaching staffs (a fact that contributed to the *Lau v. Nichols* case in the first place); and few major publishers have considered it financially worth their while to produce badly needed materials. Bilingual education remains a virtual cottage industry.
- Probably the majority of bilingual programs have been initiated by Anglo administrators, not by minority group members.

There is no space here to discuss the Baker–de Kanter report except to note that a recent metanalysis of the same data has raised serious questions regarding their findings and has shown that in several cases they misinterpreted their data. The results are thus more positive regarding the effectiveness of bilingual programs than originally reported. Mr. Rossier, incidentally, fails to mention that the Baker–de Kanter report received severe criticism for its methodology from an independent review by a committee of the American Psychological Association.

The widely held misconception, repeated by Mr. Rossier, that bilingual programs will somehow limit students' access to English and perpetuate their dependence on their own language, has no basis in fact that I am aware of. What makes this misconception so peculiar is that virtually all federal and state legislation and judicial decisions regarding bilingual education are in actuality intended purely to assimilate students into English. Indeed, the Bilingual Education Act of 1968 should be more accurately referred to as the "English Assimilation Act," for that is its true purpose. It is particularly ironic that through transitional bilingual education, linguistic minorities have been led into cooperating in the more rapid and efficient extermination of their own languages. Even those who support the elimination of all other languages could hardly wish for a more effective instrument.

It is regrettable that bilingual education should be used for such a shortsighted purpose, for this runs counter to the growing realization that we need to conserve and develop our national linguistic resources if we are as a nation to survive in the increasingly interdependent world of the 21st century. We cannot afford to leave the preservation of other languages to the home, as Mr. Rossier suggests. A speaker of "kitchen" Hungarian, Spanish, or Chinese will be ill-prepared to deal with the demands of intellectual exchange, business, or national security in these languages, and few of those who have learned them as foreign languages in high school or college can ever fully share the initial advantage of a native speaker. With the very real prospect that English may decline in international importance within the coming generation, we should be concerned to see that children who bring a minority language to school are provided the opportunity to develop and enrich their control of it while also learning English.

At the same time, monolingual English-speaking children should not be denied the cognitive advantages that research has demonstrated for bilingualism. Majority-group children should have the opportunity to learn other languages in school, and through interaction with their non-English-speaking peers, until they are able to follow instruction bilingually. A wise national policy that supports bilingualism instead of suppressing it can help to guarantee our continued world leadership well into the future and will reap many benefits for us both as a society and as individuals.

Many of the questions surrounding the relative effectiveness of bilingual instruction, and the conditions under which it can be effective, will be resolved only through further research, not polemics. It is to be hoped that those who are truly concerned about the education of our linguistic minority children will support increased funding for research so that these questions can be vigorously pursued. At the same time, we must come to realize that bilingual education, which is highly prized by elites in most countries, is not and should not be viewed merely as a form of compensatory education for minorities, but rather should be seen as having the potential for providing a superior education for all children.

Rudolph T. Troike, Director
Office of Educational Policy Research
Champaign, Illinois

Dear Sir:

Robert Rossier's article is a strange mixture of praise for "immigrant bilingualism" and condemnation for the means to achieve that end. On one hand, Mr. Rossier writes of the necessity for immigrant children to achieve "access to the American dream," the need for integrated schooling, and the social desirability of bilingualism. On the other hand, his understanding of bilingual education—the educational approach he attacks—leaves a great deal to be desired. Regrettably, the article is based on seriously flawed definitions of the goals and methods of bilingual education. If bilingual education were what Mr. Rossier misrepresents it to be, some of his conclusions might be valid. However, Mr. Rossier's descriptions of bilingual education have little to do with reality.

Since bilingual programs are designed at the state and local level, there is tremendous variety among the types of programs using the name bilingual education. In its broadest sense, the term simply describes programs that use *two* languages for instruction. One of those languages is always English. Federally supported bilingual programs are defined by statute as those in which "there is instruction given in, and study of, English, and, to the extent necessary . . . the native language of the children of limited English proficiency" (20 UCS 3223). The goals of the programs are to teach the children English and help them learn their other subjects while they are in the process of learning English so that they do not fall behind.

Mr. Rossier's point is well taken that "English cannot be learned through instruction in Spanish, Chinese, or any other language." That is why bilingual programs include structured instruction in *English*—to teach understanding, speaking, reading, and writing skills in the English language. Any program without structured instruction in English is not a true bilingual program. There may be a few places where such programs as Mr. Rossier describes have been allowed to develop, but they are the exception, not the rule. Policy recommendations in this area should be based on an examination of the average or typical bilingual program and not the exceptional one.

Because the programs are designed locally, there is tremendous variability in how many minutes of English instruction are scheduled each day. However, national research shows that most bilingual programs make far greater use of English than they do of the children's native languages. In fact, 64 percent of all bilingual teachers report using English as a language of instruction for at least 75 percent of their instructional time. Additionally, a 1980 study found that many children in bilingual programs actually receive more hours of structured English instruction than do students in an all-English program. It is the amount of structured English instruction that is important, not the amount of time children hear random and sometimes unintelligible sounds as they do in "sink-or-swim" programs. Bilingual programs provide more of this kind of instruction in English. Thus, the situation in most bilingual programs is far different from the picture painted by Mr. Rossier.

All educational programs need to be evaluated and reviewed for effectiveness. Monolingual programs masquerading as bilingual education programs or programs using language groupings as a pretext for segregation are no exception. These kinds of programs are clearly harmful to children. Equally harmful, however, are the absence of specially designed language instruction and variations of the sink-or-swim method, which submerge the child for most of the school day and provide the only meaningful instruction via a 20-minute ESL lesson. Both extremes are unfair to the children, but there are far more examples of inadequate English instruction being provided in all-English environments than in bilingual environments.

Allegations of unnamed, unscrupulous "ethnic politicians" perpetuating bilingual education for their own

gains are inflammatory and do not add substance to the discussion. The real issue here is that Mr. Rossier has inaccurately described the educational approach he is attacking. Bilingual education is designed to help limited English-proficient children participate fully in the American dream. That is the primary reason for its support in the Hispanic community. It is not training for the ghetto; it is training for the mainstream.

Raul Yzaguirre, President
Lori S. Orum, Senior Education Policy Analyst
National Council of La Raza
Washington, D.C.

Dear Sir:

Mr. Rossier has written a most informative article. His analysis of the research data upon which rest the claims of superiority for bilingual education programs is particularly lucid and helpful to those of us who are not professional educators.

But he may be a bit too ready to dismiss the potential for "balkanization" and division inherent in these programs. Many, perhaps even most, Americans are indeed apprehensive about the possibility that the lines between bilingualism and binationalism may overlap. And they are not wrong.

Recently, I had occasion to go through several back issues of journals published by the fervent advocates of bilingual education. In the Fall 1979 issue of the *Bilingual Journal*—a standard professional publication produced with federal subsidies—the focus is on attempts to revive French in parts of the country formerly settled by large numbers of people of French origin, notably French-Canadians in New England and Arcadians in Louisiana. There, on page 20, we are proudly treated to these inspirational words:

> "I renew in my heart allegiance to the new promise in Quebec. Do not worry about your compatriots, north of the border! Were I a younger man, I just might go back. For it may very well be that history will soon erase the syndrome of the Plains of Abraham, when through political maturity and sound Gallic common sense, the nation which is French-Canada and French-Canadians [sic] will at least be able to say: '*Nous sommes maitres dans notre maison*'."

It is enough to make one look for a hidden agenda somewhere, *n'est-ce-pas*?

Gerda Bikales, President
U.S. English
Washington, D.C.

Dear Sir:

Mr. Rossier's article points out correctly the self-serving interest of those who make a living from bilingual education and do it at the expense of those whom they purport to help adjust to a productive life in this country. These proponents of bilingual education are "educating" a generation that will become a burden to taxpayers and to themselves. As someone aptly put it, a right to bilingual education is a right to be permanently handicapped. Everyone has the right to be proud of his ethnic background, but home is the place to keep up the cultural and linguistic heritage.

To become proficient in English, the language of this country and increasingly the language of the world, is a singular advantage for those who happen to be born in the United States or have the privilege of acquiring English as their primary language. The first riots in South Africa's Soweto stemmed not from race oppression but from the government's insisting that the schooling be in Afrikaans instead of English. Similarly, immigrants to Quebec Province object to schooling in French—and bad French at that—for precisely the same reason.

A few years ago I saw a six-segment TV series of an hour each about the Spanish-speaking community in Philadelphia. Only one person, a young woman lawyer, spoke decent English, and she complained that her mother had forced her to attend an English-speaking school. No wonder that those interviewed on the program were at the lowest income level and many presumably on welfare.

But there is an even more pernicious aim than the fraudulent approach to teaching English as the goal. Some two years ago, I attended a meeting on ethnicity of the prestigious American Assembly. One of the panel members, a Hispanic, presented a paper identifying three groups of immigrants: old, new, and circulatory. Who are the last? Those who expect to return to their native countries, primarily Puerto Rico and Mexico. These are people supposed to receive the benefits of bilingual education so that they can function when they return to their native lands. A fine group of "immigrants"! And American taxpayers are supposed to pay for that?

The much-vaunted pluralism of this country is good as far as it goes, but it is greatly overrated. This country has become great because of its unity. Homogeneity is still the more important goal. *E pluribus unum* is the best slogan.

Victor Alin
Wayne, Pennsylvania

Robert Rossier replies:

Mr. Troike's major attack is on my belief that students must have extensive, real-life interaction in English in order to learn English—they cannot learn English by means of instruction in another language. Mr. Troike begins his counterargument by emphasizing a statement, "the greater the use of the students' language in class, the better their achievement in English," which he says sounds paradoxical. This sentence not only sounds paradoxical, but its English is such that the reader cannot easily fathom what Mr. Troike means. We will assume, however, that he means the students' *first* language and that this is also the language in which instruction is given.

He next cites two references for what he calls "a consistent research finding." The first is a report from the General Accounting Office entitled *Bilingual Education: An Unmet Need*. Does this report demonstrate a consis-

tent research finding? Not if we refer to Mr. Troike's own writings. In his supposedly authoritative work, *Research Evidence for the Effectiveness of Bilingual Education*, he mentions this report only once—and then in a reference that in no way supports his belief in the use of other languages to promote the learning of English.

The other reference—from a study of the Rock Point school—has to do with a Navajo bilingual program in which he does cite some statistical gains in reading. Even this one reference is not convincing when we consider that there have been recent studies on bilingual reading that cast doubt on the findings of the Rock Point study.

How Mr. Troike can use only two references, one of which does not support his argument, to conclude that there are "consistent research findings" is difficult to understand.

But let me cite another example of Mr. Troike's way with evidence. In his *Educational Leadership* article, he attacks an English as a second language approach and claims that "although in some instances ESL programs have been shown to improve student achievement [he cites one study], in others they have been found to have no effect or even a negative effect." Referring to the no or negative effect, he cites two references, one of which (Mr. Hale and Ms. Budar) reaches a principal conclusion that Mr. Troike did not mention because it contradicted his thesis that the more the students' home language is used in instruction, the better will be their English language achievement (p. 502).

Mr. Troike next stands logic on its head by asserting that because the ESL students in my study compared favorably with regular students at graduation from high school, their early education in their first language was the cause of their good performance. Among other errors, he states that they had been educated "at least through elementary school" when I did not say this at all—many of them had less than six years of schooling when they entered secondary school in this country. But I will agree with Mr. Troike that there is some transfer of learning from the first to the second language.

When Mr. Troike states that my "positive view of pre-1970s special programs for non-English speakers in the Los Angeles schools is contradicted by the facts on dropout rates for those years," he is repeating what he has heard from the ethnic politicians. What facts is he talking about? No study was ever done to show a relationship between dropouts and students in ESL programs. I know because I was there. Was he? Instead, the statistics published by the school district on dropouts were based on ethnic classifications and the ESL students were not identified within each classification.

If I linked the Center for Applied Linguistics *directly* to federal funding, I was wrong and I apologize. But almost every study sponsored and published by the CAL under Mr. Troike's direction was funded by one agency or another of the federal government. In addition, Mr. Troike himself undertook a number of projects that were federally funded: *A Handbook of Bilingual Education* was commissioned by the ERIC Clearinghouse for Linguistics; *Research Evidence for the Effectiveness of Bilingual Education* was funded by the National Institute of Education and the Office of Bilingual Education of the Department of Health, Education, and Welfare; and *Strategies for Assessing Bilingual Vocational Training Programs* was funded by the Office of Education at HEW. Did Mr. Troike donate his time and effort for these projects?

I can understand Mr. Troike's reluctance to say much about the Baker–de Kanter report, as well as his omission of the review by Iris Rotberg of the National Institute of Education, which was published in the *Harvard Educational Review* in 1982 and presents conclusions that are almost identical to those of Mr. Baker and Ms. de Kanter. But there is another omission that is even more revealing because it indicates the lengths to which bilingual lobbyists will go to stifle dissent. In testimony before the Illinois State Board of Education in October of 1982, Rudolph Troike attempted to discredit the Baker–de Kanter report by alleging that Adriana de Kanter had "publicly disassociated herself from the report and its conclusions, saying that she had been required to give assent to it by the office in which she had formerly worked, even though she disagreed with the conclusions." Subsequently Keith Baker received both a retraction of this testimony and a letter of apology.

Mr. Yzaguirre and Ms. Orum repeat some of the same charges as Mr. Troike, without citing references, and set up the same dichotomy: bilingual programs versus "sink-or-swim," completely ignoring my contention that there are alternatives to the two extremes. One of the main points of my article was that the new language (English) is learned not only by language instruction but also by much exposure to the language in unstructured situations. Mr. Yzaguirre and Ms. Orum claim that only *structured* English counts. Much of the structured approach stifles learning because the learner does not relate it to real-life situations, whereas exposure to English outside of the language class, unstructured though it may be, often has great motivating force because the learner feels a real need to understand and communicate.

As to my charge that there are many in bilingual education who are motivated more by the idea of self-promotion than by a desire to help children learn English, I stated this opinion because I believed it needed to be stated. It is difficult to know exactly what motivates men, but if we look at the total bilingual education picture, at the empire building and the disruption in the schools without any convincing evidence that bilingual education does what its proponents say it can do, then I believe that we are entitled to doubt the sincerity of these people. As the Mexican comedian Piporro used to say, "Con dinero, baila el perro." Money has made a lot of people dance.

Finally, in reference to Gerda Bikales's and Victor Alin's responses: Because they learned English as immigrants and learned it well, I have great respect for their opinions on language learning.

The Summer issue of *Policy Review* incorrectly identified the publisher of *Coughing in Ink: The Demise of Academic Ideals,* by Philip F. Lawler, which was reviewed in "Short Shrift." The correct publisher is the University Press of America, Lanham, Maryland.

Conservative Legal Experts Speak Out on Federalism

FEATURING

The Two Faces of Federalism
by Judge Antonin Scalia

Toward an Economic Theory of Federal Jurisdiction
by Judge Richard Posner

Some Thoughts on Applied Federalism
by Assistant Solicitor General Paul M. Bator

The Forms of Article V
by Professor Walter Berns

The Hatch Amendment and the New Federalism
by Professor John T. Noonan, Jr.

Private Goals and Competition Among State Legal Systems
by Judge Ralph Winter

At a recent symposium sponsored by the Federalist Society for Law and Public Policy Studies, the nation's most prominent conservative legal scholars presented papers on Federalism. The compilation of their efforts, published in a recent special edition of the Harvard Journal of Law and Public Policy is regarded by many as the definitive study of the subject. Now you can have this collection of works for your library for only $11.00, by filling out and mailing the attached coupon.

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What Conservatives Think of Ronald Reagan

A Symposium

It is a sign of the incredible intellectual vitality and, in some cases, the prickly personality of American conservatives that we often seem to argue as much with each other as with our opponents on the *gauche*. Nowhere has our disputatiousness been more lively than in our assessments of President Reagan.

Ronald Reagan is without question the most conservative man to preside over our republic in at least 55 years. He was the standard-bearer of the conservative movement in the primaries of 1968 and 1976, and his landslide victory in 1980 was a testament not only to his political acumen but also to nearly 20 years of conservative grassroots organizing and institution building that began with the Goldwater campaign and steadily grew in both numbers and sophistication. After three years of his administration, many conservatives still won't say a bad word about Ronald Reagan. Others, though often critical of specific decisions, see him as the strongest conservative presidential candidate on the horizon and therefore promise him their undivided support.

Still others on the Right, however, can hardly find a good word for Mr. Reagan. Not only must the president contend with daily abuse from the mainstream media, congressional Democrats, and special-interest groups dependent on an expanding public sector, but he is also bashed from the Right for decisions ranging from his handling of the KAL 007 massacre, to his appointment of Robert McFarlane as national security adviser, to his repeated budget compromises with Congress.

The conservative critics usually see the Reagan administration as marginally preferable to another Carter or, say, a Mondale presidency. But many, particularly on the New Right, are infuriated by what they perceive as Mr. Reagan's unwillingness to do battle with the Washington establishment: We didn't spend 20 years organizing the grass roots, they complain, so that we could end up with runaway entitlements programs and Henry Kissinger back in power.

What galls the president's critics most is his preemptive compromises. Unlike Franklin Roosevelt or Harry Truman, always ready to go on the attack against opponents on the Supreme Court or in Congress, Ronald Reagan often seems to shirk confrontation and to placate his liberal opposition.

Disillusionment among erstwhile supporters is common in politics. Walter Lippmann, the premier liberal columnist of his time and an early enthusiast of the New Deal, wrote of Franklin Roosevelt in the fall of 1935: "He has a good heart, though not a great one. And he certainly hasn't a great mind. And his best virtues—which are sensitiveness and zeal and courage—are not qualities with which to withstand the corroding effect of authority. . . . I am afraid that he is not thoroughly matured and that he is more suited to a crisis than to longer efforts." Fearful that the New Deal was advancing too far toward collectivism, Lippmann reluctantly urged his readers in 1936 to vote for Alf Landon.

To put the present conservative discontent about Ronald Reagan in perspective, *Policy Review* asked 11 conservative activists, intellectuals, and politicians to assess the president's principal achievements and errors. Given all the political and institutional constraints facing a conservative president, has Mr. Reagan accomplished as much as he reasonably could have been expected to? What opportunities has he missed? In particular, how could he have sustained his initial momentum and strengthened his mandate?

In the first six months of his administration, Mr. Reagan was able to control the agenda in Congress—and to win a series of key votes on cutting taxes and domestic spending and on boosting military outlays. But somewhere around August or September 1981 he lost his political momentum and was no longer even able to control the votes in his own party. What happened? Was his honeymoon cut short by the recession and mounting deficits? Was it inevitable that Democrats, liberal special-interest groups, and career bureaucrats, momentarily stunned by Mr. Reagan's election, would regroup for counterattack? Or did Mr. Reagan forfeit his control of the agenda as a result of political miscalculations?

The symposium that follows consists of excerpts from these interviews. The responses range from virtually unqualified support to near-total disappointment and dismay. Yet the interviews also reveal some areas of remark-

able agreement among the participants, whether they are Old Right, New Right, or libertarian.

The first is universal approval for Mr. Reagan's tax cuts, tied with a universal concern over his failure to cut spending, particularly entitlements programs. Virtually all of those featured here blame deficits on spending, not on tax cuts; on the contrary, they tend to oppose the tax increases of 1982. Not all conservatives share this opinion—George Will comes most prominently to mind as a taxophile—and many of the president's big-business supporters have clamored for tax hikes, especially if levied on personal rather than corporate income. But the participants here contend that the principal economic failure of the president has been his failure to stop the growth of the public sector.

Second, there is general approval for the direction President Reagan has taken on defense, particularly for building up the morale of the armed forces. Some think Mr. Reagan hasn't gone far enough in building up military hardware, some think he could have gotten more for his money if he had better explored military reform, but they approve the direction. At the same time, there is universal concern about the dangers inherent in arms control, with considerable and understandable disagreement about whether Mr. Reagan is aware of those dangers. "If SALT II is fatally flawed, as candidate Reagan said," asks Terry Dolan in a question raised by several participants, "then why is President Reagan abiding by it?"

Third, there is general approval for Mr. Reagan's public statements on social issues but also a sense that he has missed some major opportunities to build popular support. Why, as Representative Gingrich asks, has he not made crime the number-one issue in America today? Why hasn't he pushed more strongly for voluntary prayers in school, an issue where Paul Weyrich suggests "there is no downside risk"?

Fourth, without all sharing the bank- and big-business-bashing populism of the New Right, most of those featured here think Mr. Reagan made a tactical mistake in not cutting more business subsidies. Had he done so, they argue, he could have enlisted more popular support for across-the-board budget cuts.

Fifth, there is widespread concern that Mr. Reagan had no strategy for dominating the political agenda: After his initial victories in 1981, he let Democrats and the media define the issues. Perhaps the most interesting comments on this subject come from the two politicians interviewed, Senator Armstrong and Representative Gingrich. Both stress the importance not simply of going on the political offensive, attacking the opposition, but also of putting forth a world view, a bold vision of the future.

On the crucial issue of Social Security and other entitlements, the interviews suggest that conservatives still have some spadework to do, particularly in coming up with political strategies that will lead to fiscal responsibility *and* electoral victory. Individual conservatives have many promising ideas here, but their prescriptions wander all over the map. No wonder Mr. Reagan didn't know what to do about Social Security, when even conservatives were giving him dramatically conflicting advice. In coming years, it will be particularly important to come up with strategies for slowing the growth of Medicare costs without getting thrown out of office.

On the issue of staffing, some of the president's conservative critics might want to pay close attention to the observations of William Rusher and Richard Rahn. Certainly, the administration could have and should have hired more Reaganites than it did. But how many solid conservatives were there really with the expertise and bureaucratic skills to run—or even to dismantle—programs? As Mr. Rusher points out, the next conservative administration will be able to draw on the expertise conservatives developed at low levels of this one.

Let me state my own bias here. I like Ronald Reagan. He is a hero and a man of character. As R. Emmett Tyrrell, Jr., has put it in his introduction to a fascinating symposium on supply-side economics in *The American Spectator,* "anyone who can remain debonair while a bullet burns beside his heart is *American Spectator* material." He's *Policy Review* material, too. Ronald Reagan has made dozens of mistakes, he has compromised too much, he has made slipshod appointments, he has bungled opportunities. But he has the toughest job in the world, and he has handled it with amazing grace. Abroad, he has been the most effective leader of the Western alliance since the early Richard Nixon: With Britain governed by Margaret Thatcher, West Germany by Helmut Kohl, Japan by Yasuhiro Nakasone, and France by an increasingly anti-Soviet François Mitterrand, it is clear that the West is regaining confidence in itself and strengthening its resolve to protect our liberties against the menace of Soviet totalitarianism and butchery. At home, Ronald Reagan has brought conservatism into the mainstream of American politics. He has expressed conservative values in an inclusive rhetoric that appeals to almost all American citizens, not simply those who think of themselves as conservative. What he lacks above all is follow-through. He does not fight for his ideas as tenaciously and indefatigably as Franklin Roosevelt and Harry Truman did for theirs.

To wage that fight, however, he needs the backing of his ideological allies. There is nothing wrong with critical scrutiny by conservatives; on the contrary, in the confusion of daily and unexpected crises, it is easy for a president to lose track of what he most strongly believes in, and it is important for him to be reminded of his platform and promises. But political leaders also need emotional support. In debating foreign policy, conservatives often argue that the United States should reward friends, penalize enemies, and above all do nothing to undermine our allies. The principle is equally useful in domestic politics.

Adam Meyerson

"The first year of the Reagan administration set a new tone in U.S. foreign policy, correcting a sense of drift and bringing a clear halt to the notion of American slippage."

Richard V. Allen

The first year of the Reagan administration set a new tone in U.S. foreign policy, correcting a sense of drift and bringing a clear halt to the notion of American slippage. On the domestic scene, although the administration didn't achieve all it wanted, it succeeded in changing the way people think about federal government spending, and it reversed the more onerous forms of overregulation.

Our diplomacy was beset by differences over organization, substance, and style, but it eventually settled down in the second half of 1982. The administration revitalized the intelligence community, taking it off the front pages and reviving its spirit and its effectiveness. President Reagan restored momentum in the defense field by his prudent, balanced, and affordable long-range defense strategy and his willingness to deploy weapons, although the public relations and information debate were handled less skillfully. He reversed the notion that arms control agreements are best reached by holding off on developing and deploying new weapons and by making repeated concessions to the Soviet Union.

In pursuit of the national interest, President Reagan demonstrated a willingness to take a stand on the basis of principle. The administration said no to the Law of the Sea Treaty and maintained a strong position in the face of criticism from liberals of all persuasions. The administration also declared its willingness to participate in north-south talks but steadfastly refused to endorse outright transfers of wealth and resources, relying instead on the promotion of free enterprise principles.

Not enough Reaganauts were put in key positions, and in certain cases too much autonomy was given to cabinet officers in making personnel choices. In the first six months of the administration, the president should have spent an hour each day assessing the qualifications of personnel down to the level of deputy assistant secretary.

Much is to be said for the Reagan style of government. But the moment that any administration begins to make policy choices on the basis of what the *New York Times* or the *Washington Post* or one of the networks will say the next morning, that is the moment it loses control of its own agenda.

RICHARD V. ALLEN *was national security adviser in the first year of President Reagan's administration.*

"What's the sense of having a Republican administration and a Republican Senate if the best we can do is a $200 billion deficit? That's not what we promised the people, and it's not what Ronald Reagan believes in."

Senator William L. Armstrong

Ronald Reagan is a man with very good instincts and human qualities, with the potential to be a great president. If his administration fails to achieve his goals, or if it goes down in history as mediocre, it will be because the president wasn't bold enough at the outset.

The president could have gotten just about anything he wanted in the first six months. The tax cut passed easily. He should also have used his mandate to insist on systemic reforms, such as line-item veto authority, or enhanced rescission or impoundment authority, that would have permanently brought the budget under control. Instead he managed to polarize the country over budget cuts that didn't happen. He cut the budget enough to make special-interest groups and the press mad, but not enough to solve the problem.

What's the sense of having a Republican administration and a Republican Senate if the best we can do is a $200 billion deficit? That's not what we promised the people, and it's not what Ronald Reagan believes in.

A president isn't necessarily weakened by losing battles with Congress. Sometimes he's strengthened: Just look at Harry Truman. Reagan should have sent Congress a balanced budget that achieved its balance through spending reduction. Instead he sent us up budgets that didn't reflect what he believes in. When he sent up a jobs bill, that was inconsistent with Ronald Reagan. It causes confusion in the ranks.

In order for Republicans to win and earn the right to govern, we've got to have a bold vision of the future. Failing that, the Democrats will win because since 1952, this has been a Democratic country. Ronald Reagan had and has a vision of America for the future. It involves a reduced profile of government in domestic life, a revitalized private sector, including stronger churches and voluntary organizations, a stronger defense, and a firmer but not bellicose foreign policy. The problem has been that not everybody in the administration shared that vision, and there wasn't much sense of how you get from here to there.

WILLIAM L. ARMSTRONG *is a Republican senator from Colorado.*

"I expected more to happen. There has been no major defense buildup beyond what Carter would have done. There has been no spending cut. There has been no turnover of control to the states. There has been no effort to dismantle the Washington bureaucratic elitist establishment."

John T. "Terry" Dolan

Ronald Reagan's only historic accomplishment has been the tax cut. His minor accomplishments include stopping the Law of the Sea Treaty, cutting the growth of federal spending to 12 percent instead of 15 percent as it would have been under Carter, cutting down on regulation and red tape, and implementing an economic policy that has slowed down inflation.

But I expected more to happen. There has been no major defense buildup beyond what Carter would have done. There has been no spending cut. There has been no turnover of control to the states. There has been no effort to dismantle the Washington bureaucratic elitist establishment.

Franklin Roosevelt never let his political opponents rest. He fought the establishment all the way. He had his finger on the pulse of the people and was out to change the country. In 1938 unemployment was 17 percent, but Roosevelt was still able to run the country. The question when Reagan got elected was whether he was going to be closer to Eisenhower as a caretaker or to Roosevelt as a revolutionary. He's been generally closer to Eisenhower, preserving a status quo established by previous liberal administrations.

If SALT II is fatally flawed, as candidate Reagan said, then why is President Reagan abiding by it? There's no point in a defense buildup against the evil empire if at the same time you maintain there is a need for arms control agreements with the same evil empire.

Reagan should have exerted leadership on Social Security and come up with some alternative system—something like separating welfare and annuity payments, or providing government-guaranteed private social security payments. Reagan proposed cutting Social Security benefits, but you don't need to cut benefits; you need to get rid of the system so that benefits will increase.

In February 1983 Reagan said that we will abolish the Department of Education. In March 1983 the secretary of education said we will not abolish the department. Nothing happened to him. The secretary of education knew he could get away with saying that and Reagan wouldn't do anything about it.

JOHN T. "TERRY" DOLAN *is chairman of the National Conservative Political Action Committee (NCPAC).*

"This has been essentially another Ford administration. It has been business as usual, not much different from any other Republican administration in our lifetime."

M. Stanton Evans

This has been essentially another Ford administration. It has been business as usual, not much different from any other Republican administration in our lifetime. It has been an administration populated by corporate executive types, and people with previous experience managing large government institutions, with the result that there has been no Reagan revolution. People used to the decorum of the boardroom back off from controversy. Good managers are good at maneuvering within the existing situation, but the whole point is to change the existing situation into something different.

The best things Reagan has done have been the deregulatory initiatives. By eliminating at a stroke all controls on petroleum, he instantly ended the energy crisis.

Real budget growth has been larger under Reagan than under Carter, and the budget is now totally out of control. If the energy used on AWACs and a tax increase had been used on entitlements reform, the Reagan people would have gotten it. What was needed was to put all the entitlements programs together in one package and have major reform together with an end to all business subsidies. On Social Security, the administration should have gone ahead with the Schweiker program of postponing early retirement, which was a moderate, sensible program, much less severe than what Jake Pickle, a Democratic congressman, was proposing. They could also have worked with Pickle. From 1973 to 1983, the average family lost $1,200 in purchasing power because of rising taxes and inflation caused by runaway government spending. But instead of making these points, they let the spending forces set the terms of debate.

On foreign policy, what troubles me most is SALT. Reagan talks about more agreements with the Soviets when there is overwhelming evidence the Soviets are violating agreements we already have. The administration is unilaterally adhering to the SALT II treaty, a treaty Reagan as candidate said was fatally flawed.

M. STANTON EVANS *is a syndicated columnist and director of the National Journalism Center.*

"The administration has had no capacity to launch strategic offenses on behalf of Reagan's vision. If Reagan represents no more than a right-of-center version of the welfare state, he doesn't represent change; he simply represents cheap government. Republicans cannot win in that framework."

Representative Newt Gingrich

Ronald Reagan is the only coherent revolutionary in an administration of accommodationist advisers. The Reagan of 1980 was a different candidate than the Reagan of 1976. You can see it in his language of hope and optimism, the ideas that Jack Kemp and other young Republicans began developing as an alternative world view to the liberal welfare state. It took Kemp five years to get the Republican party through those early legislative victories in 1981. But then there was a power vacuum. The new strategy was smothered by a Republican old guard in the Senate and a White House that didn't understand what we were doing.

The administration has had no capacity to launch strategic offensives on behalf of Reagan's vision. Someone in the spring and summer of 1981 should have been saying, "What do we do to keep up momentum after the tax and budget bills pass?" But there was a vacuum of activity, and when the administration returned from California after the August 1981 recess, a new agenda had been set. Political debate was once again totally enmeshed in the rhetoric and values of the liberal welfare state. If Reagan represents no more than a right-of-center version of the welfare state, he doesn't represent change; he simply represents cheap government. Republicans cannot win in that framework.

Reagan's honeymoon was not cut short by recession and deficits. Franklin Roosevelt was never slowed down by temporary failure in his economic policy. Reagan could have gone to the country and said this is Jimmy Carter's pain. The problem was that Reagan's people were so excited by victory, they forgot they didn't control the country. They didn't control the House and they didn't really control the Senate. They didn't in fact have real power, but psychologically they acted as if they did. Reagan should have focused more on changing the nation than on governing. The most powerful thing a president can do in a free society is preach. The second most powerful thing is to connect up new alliances, so that when the world view changes, political organizations will be in place to rule the country.

The administration clearly lost morale and will in the Social Security fight. It shouldn't have picked that fight when it did, and it lost its natural base among senior citizens. This was the kind of issue where you either had to back away, or you had to win by discrediting Claude Pepper. You would point at Pepper and other liberal Democrats and say these were the guys in 1977 who promised they would solve the Social Security problem forever by raising taxes. How do they now have the gall to come back and say they know how to solve it again?

Reagan should have prepared for reelection by forcing a polarization of the country. He should have been running against liberals and radicals. He should have made crime the number-one issue in America today. Conservatism makes no sense as a short-term value system. The conservative issue is life for your grandchildren.

Reagan was correct to place a higher priority on tax cuts than on deficit reduction. He had to rally the middle class. But he could have cut spending by rallying the 60 percent of the American people who support budget cuts. He didn't reform defense spending. He and Weinberger have squandered the biggest prodefense base since Pearl Harbor.

NEWT GINGRICH *is a Republican representative from Georgia.*

"Reagan is just the sort of nice fellow I'd like to have as a neighbor, but he defers too quickly to anyone in a three-piece suit. I wish he had more confidence in his own judgments."

Howard Phillips

Ronald Reagan's major accomplishments were showing the courage to block the Law of the Sea Treaty and going along with Bill Armstrong's indexing proposal. I can't really think of many others.

I believe we will see major recession and unemployment because of the president's unwillingness to get the size of nondefense government spending under control. He asked for too little at first. The president should have said, "Look, here's my budget and I'll veto anything that goes beyond it." The only way a president can bring about major change is by the politics of confrontation. He's got to rally the grass roots to do battle against Washington.

The president has been particularly disappointing on arms control. He has continued to abide by SALT I and SALT II, he has refused to call into question Soviet arms control violations, he has bought the notion that arms control should be the centerpiece of our relationship with the Soviet Union, he has retreated from the idea that you build up your defenses before you negotiate.

The president is not well informed and defers to credentials, even to people who don't share his values. He shrinks from conflict. He is just the sort of nice fellow I'd like to have as a neighbor, but he defers too quickly to anyone in a three-piece suit. I wish he had more confi-

dence in his own judgments.

This has been more like Ford's presidency than a real revolution. The American people can be rallied, but not if it looks like you're in hock to the banks. Budget cuts should have been across the board—for synfuels, Ex-Im Bank—as well as welfare.

There are practical things Reagan could have done on moral issues that he didn't do. He could have taken away federal money going to Planned Parenthood, he could have cut off subsidies for homosexual and feminist groups.

HOWARD PHILLIPS *is the national director of the Conservative Caucus.*

"Reagan may have been too successful too fast. He was elected before there were enough people ideologically committed to his program who also had the necessary technical skills to run the government."

Richard Rahn

Reagan's big success was the reduction of high marginal tax rates, and the reduction of taxation as a percentage of GNP by 1 percent. The big problem was that he didn't go after spending as much as he went after taxes.

In September 1981, Dave Stockman came out with bigger deficit projections and called for tax increases. That piece of inconsistency right after the tax cuts, together with radical monetary policy, aggravated the recession. The Tax Equity and Fiscal Responsibility Act (TEFRA) tax increases of 1982 set back the recovery for at least a quarter and certainly increased uncertainty.

Contrary to what some of the supply-siders say, economic growth won't take care of our spending problems so long as the entitlements formulas are kept the way they are. You could have real GNP growth of 15 percent a year and still not balance the budget so long as you have a consumer price index that overstates the rate of inflation (and hence the Social Security cost-of-living adjustment) as well as the kind of entitlements program we have for Medicare. In 1981 the administration could have changed the indexing formulas if Reagan had talked about a fiscal crisis: In the short run, people wouldn't have noticed much. The president also missed an opportunity in 1981 to cut the 17 to 23 percent annual growth of Medicare expenditures. With the proper marketing, he could have offered a program that focused on catastrophic medical care and reduced major risks while cutting minor expenses.

There's a widespread belief in the business community that there's a tremendous amount of waste in the Defense budget. A public war on waste in the Defense Department would have been useful at least for psychological purposes in building support for overall spending cuts.

When TEFRA came up for a vote, the president got on national TV and promised $3 in spending reductions for each dollar in additional taxes. In fact, he got $1.14 in spending growth for each extra tax dollar. By claiming they got spending reductions when in fact they didn't, the Reagan people kept playing into the hands of the liberal media.

Reagan may have been too successful too fast. He was elected before there were enough people ideologically committed to his program who also had the necessary technical skills to run the government. In addition, people who understand the issues best are often the worst ones in terms of day-to-day management.

There was a shortage, for example, of supply-side economists. There were only a handful of technically capable supply-side economists to fill a couple of hundred economic policy positions. Thus many people who joined the administration didn't understand the Reagan program and in some cases didn't agree with it. On deregulation, the administration would have been a lot better off if it had another 20 people like James Miller, chairman of the Federal Trade Commission. At Health and Human Services, there wasn't much of a pool of talent to draw on of people who understood what Reagan was trying to do. There were a lot of gaps in staffing, which means you get people who know something about a subject and use the conventional professional reasoning. That is why nothing changes.

RICHARD RAHN *is a vice president and the chief economist of the U.S. Chamber of Commerce.*

"Genuine conservatives are by and large overjoyed by Reagan, and rightly so."

William A. Rusher

Genuine conservatives are by and large overjoyed by Reagan, and rightly so. He has a great many accomplishments to his credit, and he has been remarkably loyal to the agenda of movement conservatism. What little he hasn't done, he hasn't forgotten that it needs to be done later. Just look how he kept fighting for the MX even after it looked defeated.

Reagan has put together a successful combination of economic conservatives and social conservatives that produces victories at the presidential level. He is the only man in the upper ranks of the Republican party who has understood the importance of this combination.

He has changed the whole area of the battlefield by redefining the battle. The debates are now, How much shall the budget be cut? How much shall we build our defense?

He has put conservatives into lower echelons of gov-

ernment. This means that in the next conservative administration, conservatives can go to the higher echelons. Reagan has been criticized for drawing his top people from outside the conservative ranks. But previously, there was not a single soul in the conservative movement who had been postmaster of Dogpatch, Kentucky. How can you have a reasonable agenda for redesigning the Environmental Protection Agency when no conservative has ever served there? Reagan has been like Columbus. He has led us ashore on a continent many of us have never seen or been on.

Since Reagan took over, not a single square inch of territory has been lost to the Communists, unless one counts Qaddafi's takeover of portions of Chad. The contras are stirring up trouble in Nicaragua, Afghan freedom fighters are getting equipment, South Africa is making raids into Angola and Mozambique, there is activity along the Thai-Cambodian border. This is not in my mind just a series of coincidences. What we have is a president who gets up in the morning, brushes his teeth, and asks his staff, "what shall we do to them today?"

Reagan made the right choice to lower taxes, rather than raise them. Not one dime raised in taxes would be applied to the deficit, for you can be sure that Tip O'Neill would spend every one of them, passing them out to his party's constituents.

The best criticism I've heard of Reagan, although I disagree with it, was that he was a little too victory-oriented in the fall of 1981. I think the administration would have been better off if it had asked for far more domestic spending cuts than it could get and then blamed Congress for not giving them. However, nothing succeeds like success, and I'm not sure this would have been as successful an administration if it hadn't won those early victories in 1981.

Reagan did the statesmanlike thing on Social Security; solving this problem requires bipartisan support. You can say he didn't completely solve the problem, but he deserves credit for postponing the system's collapse.

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"You will not see me criticizing Ronald Reagan. He is a wonderful man with all the right instincts. Criticism of Reagan is an easy way for conservatives to get on the national media, but I think that's a mistake."

Phyllis Schlafly

You will not see me criticizing Ronald Reagan. He is a wonderful man with all the right instincts. Criticism of Reagan is an easy way for conservatives to get on the national media, but I think that's a mistake.

Reagan has been fine on the moral issues. He has never waffled on his opposition to the ERA; he's against drafting women.

People are better off economically than they were under Carter because inflation is licked. I like the way Reagan stood absolutely firm on the air controllers' strike.

Reagan's principal problem is that he's not a tough enough administrator. He's such a nice guy. He should have fired disloyal people, and he should have fired Carter holdovers earlier, such as those on the Civil Rights Commission. He wouldn't have got as much bad press.

Social Security was mismanaged by the White House. Reagan shouldn't have talked about the subject at all. Loose talk created a fear in people who are dependent on Social Security, especially older women, and enabled Democrats to be absolutely unscrupulous in exaggerating those fears. The bipartisan commission was a good move to defuse the subject as a Republican-Democratic issue.

One of Reagan's problems is that his closest advisers don't understand politics. They aren't pragmatic politicians. They don't understand what produces votes at the precinct level.

Reagan won in 1980 because he brought in voters who had never voted before, because they don't care about politics. The advisers don't understand how Reagan's stand on such issues as abortion and gay rights and the ERA and drafting women strongly motivated so many people who normally don't vote at all. Many people pay too much attention to polls. But Gallup and Harris can't predict *who* is going to vote.

Something else the White House advisers don't understand is the need to motivate and enthuse your activists. Elections are not determined by 25 million Democrats and 25 million Republicans; they are determined by a few thousand activists on both sides who bring out the vote. Reagan's activists haven't been getting the tender loving care they need in order to duplicate in 1984 what they did in 1980.

PHYLLIS SCHLAFLY *is president of the Eagle Forum.*

"If we balance the budget and we still keep murdering a million and a half babies every year, there's no way we can say we're better off than we were four years ago."

Cal Thomas

If we balance the budget and we still keep murdering a million and a half babies every year, there's no way we can say we're better off than we were four years ago.

Reagan always says the right things when he talks to

conservative leaders, but he doesn't follow through relentlessly. He ought to pursue Legal Services, to defund the Left. He ought to take proabortion senators down to the abortion clinics to see what really happens.

Economically, Ronald Reagan has done more than any president since Roosevelt in turning around the country's thinking about government spending. Even liberals are now talking about spending less. Psychologically, this has been an incredible change.

The beginning of a buildup in our defense capabilities has been something only Reagan could do. He should make the point more forcefully that those who are strong don't have to use weapons. He's going to have to get off his commission kick—you don't need a commission to tell you the Soviets and their surrogates are trying to take over Central America. The president has also missed a magnificent opportunity to disrupt the Soviet economy: Our big club is to deny them bank credits.

Despite a great deal of derision, Reagan has focused attention on moral issues, such as abortion. His attacks on the Soviet government as the incarnation of evil are right on target.

The most decisive action of Reagan's that stands out was the air controllers' strike. He said he would fire them if they went out on strike, and he did it. That had a tremendous ripple effect on other employees, like the postal workers. The president needs to show swift and decisive action more often.

CAL THOMAS *is vice president for communications of the Moral Majority.*

"The radical surgery that was required in Washington was not performed. Ronald Reagan made a pledge not to touch entitlements programs, and that's one of the few pledges he has kept absolutely."

Paul M. Weyrich

The radical surgery that was required in Washington was not performed. Ronald Reagan made a pledge not to touch entitlements programs, and that's one of the few pledges he has kept absolutely. But until we come to grips with entitlements, no amount of tinkering with tax increases is going to get the budget in order.

The correct strategy for Reagan would have been to take the "Economic Dunkirk" approach outlined by Kemp and Stockman. He had an unprecedented opportunity to say you don't understand what a mess Jimmy Carter left us in, to say radical surgery was required and I'm ordering something that will hurt but will save the patient's life. He could have cut much more if the program was fair to everybody, in the sense that everyone's benefits were cut. Instead, he was seen as cutting out benefits for poor people, while still subsidizing the International Monetary Fund, the Ex-Im Bank, and businesses like Chrysler.

Reagan was correct to stress tax cuts and defense, but not to the exclusion of everything else. According to the Gallup poll, 82 percent of the public supports voluntary prayer in schools. If Reagan had come out and said that this would never again be a great nation if we don't return to our religious principles, there would have been no downside risk.

Reagan got his tax cuts and Gramm-Latta passed before the August recess in 1981. By the time the administration came back in September, it was out of ideas. Its agenda was too limited. There were a lot of ideas it could have pushed but didn't—from vouchers to enterprise zones to tuition tax credits. But there was no comprehensive reform agenda comparable to that of the brain trust under FDR. The Republican-controlled Senate could have held hearing after hearing about all the disasters of the Carter administration, but Orrin Hatch's hearings on the Legal Services Corporation are the first hearings to be held on the failures of the Great Society.

In September 1981, Reagan made a big mistake when he listened to the Senate leadership, whose view was that you couldn't have any confrontations. You should be prepared to lose battles in committee but take votes to the Senate floor. Reagan should have insisted that votes be taken on the floor, but instead he was convinced that he had to win everything. The real problem was this nonconfrontation policy. Even Gerald Ford was smart enough to use his veto.

Reagan blew a historic opportunity to shake up the leadership of the black community. He could have and should have appointed several conservative blacks to some very key positions. That would have started a dynamic in the black community that couldn't have been stopped. It would have broken the monopoly of the current black leadership: Now there is no internal debate within the black community. It was essential to take issues out of the context of racism, to argue that attacks on food stamps, housing subsidies, and so on were not issues of racism but issues of socialism.

Reagan can point to the turnaround of the armed forces, particularly the navy, as a concrete accomplishment. After the terrible morale problems and neglect under Ford and Carter, reenlistments are up, drug problems are being eliminated, and ships are being built. Reagan selected good people for the military and permitted them to do their job. Militarily we are decidedly better off than before his inauguration.

PAUL M. WEYRICH *is executive director of the Committee for the Survival of a Free Congress.*

Triumph of the American Mind

The U.S. Semiconductor Industry Rivals the Growth of the Japanese Economy as the Greatest Success Story of Our Times

George Gilder

The word "revolution" has become a banality, used by the media to refer to a variety of changes in fashion and society that little affect the future of the world. The real revolution of the post–World War II era occurred not in life-styles or Third World consciousness but in semiconductor technology. Through a vast and mostly unmeasured burst of creativity in the use and miniaturization of transistors, the human race has projected its computational technology beyond all the assumed limits of time and size, into new galaxies of inner space, where distances are measured in angstroms (billionths of a meter), time is measured in picoseconds (trillionths of a second), and costs drop to millicents (thousandths of a penny).

Because the material of semiconductors is silicon, the essence of sand and the most common substance on earth, this industry dramatizes the real nature of resources: The crucial source of value in this revolution is not some metal or fuel but the human mind itself. Inscribing worlds in grains of sand, semiconductor engineers are endowing the equipment of the home and workplace with rudimentary functions of thought. They are launching what is sometimes termed the age of knowledge or information technologies.

It is dominantly an American age, and the revolution is mainly an American revolution. Not only did most of the central technologies originate in the United States, but if anything, the American lead is still growing. In 1982 the U.S. trade surplus with the European Economic Community in information technologies doubled to some $10 billion. While U.S. job growth over the last decade exceeded Europe's by a factor of five and Japan's by a factor of three, the share of U.S. growth that occurred in high-tech industries rose 8.9 percentage points, compared with 6.8 in Japan and 4.9 in Germany.

Although Japan has made impressive advances in key products in recent years, U.S. market share in integrated circuits (the more advanced chips) remained over 70 percent in 1982, down from 72 percent five years ago. During this period Japan's share rose only from 19 to 23 percent, while the European share dropped from 9 to 7 percent.

The U.S. semiconductor industry rivals the overall growth of the Japanese economy as the greatest success story of the postwar economic era. In fact, the breakthroughs in chips are turning out to be more important. Although economists tend to judge eras by movements in GNP and other aggregates, history is more inclined to denominate periods—from the age of steam to the atomic era—by their dominant products and technologies. By that measure, this is the age of the microchip. Since semiconductors are crucial to nearly all other new technologies, from medical instruments and industrial robotics to bioengineering and space travel, the U.S. lead in this field should give this country a central position in the world economy for years to come.

Scaremongering

Nonetheless, U.S. politicians, journalists, and academic analysts, who paid no attention to semiconductors over the last two decades, have suddenly focused on the industry as an American asset in peril. They point to Japanese dominance in the market for the industry's current best-selling chip. A device called the 64K dynamic random access memory (DRAM), it stores 64,000 basic units of information (bits) in a package previously holding 16,000 bits, thus quadrupling the capacity of every computer memory socket and, with related advances, reducing by 75 percent the size of every computer. The scaremongers point to the prospect that Japan will also dominate the next generation of commodity memories, the 256K DRAM. They bewail the 70 percent rise in Japanese semiconductor exports to the United States over the first half of 1983. Soon they can be expected to stress the Japanese lead in CMOS technology (complementary metal oxide semiconductors), a system of chip design that results in very low power consump-

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Despite the fearsome Japanese, the United States still captured 70 percent of the international market for integrated circuits in 1982.

tion and heat generation. CMOS is thus needed in the lightweight, portable, and battery-powered equipment that is now taking over much of the personal computer market.

Such fears of Japan are inspired by a theory of economic progress that attributes Japanese successes and prospects to the guidance and subsidies of the governmental Ministry of International Trade and Industry. MITI since the early 1970s has officially targeted semiconductors as a growth industry, and in 1977 it launched a $250 million research and development cartel combining Japan's five largest electronics companies in an effort to accelerate the nation's move into very-large-scale integrated circuits (VLSI). By 1979 the project had apparently borne fruit: Japanese firms captured 40 percent of the world market for 16K DRAMs, the memory generation that preceded the 64K device. And by 1981 Japan had taken more than 70 percent of the world market for the 64K device.

According to the theorists, Japan had targeted the U.S. chip industry just as it had targeted U.S. steel and auto companies. Soon, it was said, semiconductors might go the way of those previous American bastions of industrial strength. Semiconductor industry executives would soon be vying with textile men and beet sugar lobbyists for parking slots outside the Capitol. But this time, national security as well as the future of the U.S. economy would be at stake, since these high-technology products are central to the fastest-growing and most militarily sensitive industries.

Smoking Guns

Along with the theory that MITI was chiefly responsible for Japan's success came a theory that U.S. semiconductor triumphs were largely a product of the inadvertent industrial policies of the Pentagon and the National Aeronautics and Space Administration. This theory benefits from circumstantial evidence. The military was the first and largest customer for the silicon transistor, and the Minuteman missile and the space programs were the leading early users of the integrated circuit. Moreover, computers constituted a large share of the early civilian market for chips, and the chief purchaser of computers was Washington. Pointing to the smoking gun—or missile site—the detectives grandly declare that they have solved the mystery of Silicon Valley: how a relatively small group of individual engineers and entrepreneurs could have created the world's most important industry. Obviously, say the investigating professors, the government did it. In Japan it was MITI; in the United States it was NASA and DARPA (the Defense Advanced Research and Projects Administration).

Since the Japanese and European governments have the most comprehensive plans, the analysts believe that

the future will be in Japan and Europe. American policy intellectuals yearn for charismatic concepts, futuristic projects, and visionary verbiage, particularly when combined with the magic of governmental money managed by men with advanced degrees. The theorists, therefore, bow before MITI plans and projects for the age of information.

All the theories, however, collide with the details of real technological progress and with the small matters of sequence and cause and effect. A detective might ask, for example, how MITI could have launched the Japanese miracle when in nearly every case, and particularly in semiconductors, the MITI program followed the industrial breakthrough it is alleged to have caused. Similarly, it makes far more sense to maintain that the U.S. semiconductor industry made possible the Minuteman missile and the man on the moon than to argue that the military and space programs created the semiconductor industry.

As the military and space markets for integrated circuits rapidly declined in proportion to industrial and consumer markets, the semiconductor industry took off.

The three most critical technologies in the early stages of the semiconductor industry all occurred independently of, and to some extent in spite of, Pentagon and NASA policy. The transistor was invented by William Shockley, John Bardeen, and William Brattain of Bell Laboratories in 1948, one year before Bell received its first postwar military contract. The invention was probably delayed by wartime research in atomic explosives and radar, which diverted Shockley and his team from their civilian projects. Bell initially feared the Pentagon would hold up commercialization of the transistor by classifying the invention, for the tiny transistor was smaller, lighter, cooler, and more durable than the unwieldy glass, tungsten, and copper vacuum tubes, which at the time accounted for fully half of all malfunctions in military gear. It was not for several years, however, that defense officials showed any interest in the new technology.

The next breakthrough was the invention of transistors made of silicon, which could endure more heat and were therefore more valuable for military and other harsh environments than the original semiconductors, made of germanium. This seminal development occurred at a small, aggressively entrepreneurial company called Texas Instruments, whose capital outlays for semiconductor research in 1953 and 1954 exceeded its entire earnings. TI certainly hoped to gain military contracts through its silicon research, but it was also motivated by the prospect of civilian markets, especially in seismic equipment for the oil industry. It received no subsidies from the industrial policy of the time—the $50 million Production Engineering Measures (PEM) program, administered by the Air Force between 1952 and 1964 to build up semiconductor manufacturing capabilities in private industry.

Similarly, the integrated circuit was invented first at TI and then at Fairchild with no direct government aid and in the face of government assistance for alternative forms of miniaturization. The PEM grants concentrated on such technologies as micromodules, which used complicated wiring to link transistors into circuits. Fairchild, by contrast, initially forswore government contracts and developed the planar production process, which eventually enabled hundreds of thousands of transistors to be integrated without wiring on a single chip. The company's research was primarily motivated by industrial and consumer markets, such as television manufacturing, even though its first sales success came with the American space program.

Pentagon and NASA purchases certainly provided a big boost to these new technologies, but there was little connection between government aid or contracts and eventual commercial success. Some 80 percent of the PEM grants went to Western Electric (to which they were small change) and to the vacuum tube leviathans General Electric, Raytheon, Sylvania, RCA, Philco-Ford, and Westinghouse. Throughout the period of these subsidies, the recipients lost market share to essentially unsupported rivals, and all but Western Electric eventually left the semiconductor business altogether.

The problem was partly that the PEM monies often were attached to technologies that proved fruitless, and partly that the recipients were unwilling to exploit useful research that threatened their still-growing markets for vacuum tubes. This first venture in industrial policy was of little help to most of the key firms in the industry and was of scant importance even to the wealthy labs of Western Electric, the major early producer of semiconductor patents, and far ahead of the military in understanding the technology.

Indispensable Fuel

The decade between 1963 and 1973 provided a further test of the relative contributions of government policy and entrepreneurial creativity in fostering the semiconductor revolution. As the military and space markets for integrated circuits rapidly declined in proportion to industrial and consumer markets, the industry took off. Some 55 companies sprang up from the Fairchild family tree alone. The dynamic RAM, the erasable programmable memory (EPROM), the handheld calculator, the digital watch, and the microprocessor were launched. The invention of metal oxide semiconductors (MOS) and silicon gate technologies galvanized the industry. Overall, during this period of governmental neglect, semiconductors became the driving force of growth and progress on the frontiers of the world economy and the indispensable fuel of the computer revolution.

Meanwhile, TI, which continued heavy reliance on defense contracts, saw its market share in integrated circuits decline almost by half between 1964 and 1967 alone—from an industry-leading 32 percent to 17 percent of a market that had nearly doubled.

In Japan, too, both technological creativity and commercial success have sprung primarily from private entrepreneurship rather than government policy. When MITI's VLSI effort was launched in 1977, Japanese electronics conglomerates were already making rapid gains against IBM in their domestic market and had achieved remarkable momentum in semiconductors. By 1979, Nippon Electric, Hitachi, and Fujitsu had captured 40 percent of the U.S. market in 16K DRAMs and more than 50 percent of the Japanese market in large, mainframe computers. But the joint research and subsidies that began in 1977 could not have produced this result in items already designed and in production in 1977. Oki and Matsushita, not long ago laggards in semiconductors, were excluded from the 64K VLSI subsidies, but both managed to enter the race anyway in 1982, and two consumer electronics firms, Sanyo and Sharp, entered in 1983. Oki became the world's fastest-growing semiconductor firm and offered 256K samples before any of the participant companies.

The Japanese research subsidies that cause so much alarm in the United States are relatively small. Consider, for example, MITI's project to develop a computer with artificial intelligence, one whose hardware and software will understand the spoken word, recognize objects, and "think" logically. The Japanese government has committed $500 million over 10 years to this fifth-generation computer. But Hitachi had a research budget of $600 million in 1981 alone. And Bell Labs' annual research budget is $2 billion. MITI subsidies also pale by comparison with the French government's $4 billion Plan Calcul, a colossal monument to the folly of those who think a massive injection of government funds is all that is needed for marketplace success. With a series of allegedly brilliant 35-year-old planners from the Sorbonne pulling and pushing French engineers from one project to another and alternately luring in and kicking out American collaborators, the French have fallen steadily behind small American startups in key semiconductor technologies.

Today, although the Japanese retain a significant edge in manufacturing efficiency, Americans still lead in the frontier products of semiconductors. DRAMs, contrary to much propaganda, are not the most important semiconductor product. That honor goes to the microprocessor, the famous computer on a chip and the central processing unit of all small computers and industrial devices. With their array of supporting chips and software development systems, microprocessors dictate the directions and specifications of most other key semiconductor technologies. More significant than the possibly temporary Japanese lead in DRAMs, therefore, is the complete monopoly by American companies—chiefly Intel, Motorola, and Zilog—in all the dominant microprocessor designs. Every major personal computer in Japan, as well as most Japanese robots, uses American-designed microprocessors.

Despite a growing Japanese effort, all the most commercially promising devices in the new generation of advanced microprocessors also come from the United States. Because successful new microprocessors, such as devices that handle data 32 bits at a time, are most useful if compatible with the software created for earlier machines, a major new entry will be difficult. Although several Japanese and U.S. companies are trying to get a piece of this market, there are no signs of any Japanese advantage. With their software-intensive nature, microprocessors play to the major American strengths in the industry—innovation and software, as opposed to commodity manufacturing. The recent reinforcement of copyright protection for software in the United States will further enhance American superiority.

A deeper source of U.S. advantage in semiconductors is the vast entrepreneurial upsurge now under way in the industry. Perhaps the most promising development in memory technology, for example, is the E-square PROM (electrically erasable programmable read-only memory). Unlike DRAMs, which lose their contents when the power goes off, E-squares and associated devices are nonvolatile, which means they retain their contents until they are erased. Intel dominates the world market in the simplest versions of erasable nonvolatile memories, but the sophisticated E-square is chiefly the province of two recent startups, Xicor and Seeq. Xicor has produced something that it calls a Novram (a nonvolatile RAM), and both companies are now leading the world with the introduction of 64K E-squares.

Custom Creativity

Entrepreneurs are also exploiting the U.S. software advantage to create literally hundreds of companies for the production of custom and semicustom chips. Expected to command half the world semiconductor market by the end of the decade, these items are made for a particular use and customer and depend on the development of ever more sophisticated computer-aided design and manufacturing (CADCAM) software. In essence, the knowledge of design engineers is reduced to software packages that greatly accelerate the process of creating a special-purpose chip. With CADCAM, manufacturers of computer systems can order chips with unique functional specifications and get them back from the semiconductor foundry in a matter of weeks rather than years. The custom market is the fastest-growing area of the industry. Since it requires enormous creativity in software and intimate responsiveness to the customer, the United States should certainly be able to remain dominant in this field.

Nor is there any persuasive reason for the United States to give up in DRAMs. The Japanese are performing brilliantly in this field, where process and manufacturing

skills are crucial. But the most important developments in the DRAM market in 1983 all occurred in the United States.

Most spectacular, perhaps, was the return of Mostek. Once America's leading DRAM producer, the firm apparently stagnated after its purchase by United Technologies. With a ferociously fast rampup at the beginning of 1983, Mostek is now contesting Hitachi for honors as the world's leading producer of 64K devices, and in early September Mostek introduced a 256K chip for sampling in Japan.

Meanwhile, with the introduction of a chip with special features for portable computers, Texas Instruments suddenly made a claim to be earning the highest average margins on DRAM sales and also launched a prototype 256K device. By all odds the most elegantly designed 256K chip among the early entrants was also American: Bell Labs' creation, now being manufactured by Western Electric.

Best illustrating the special strengths of the American semiconductor industry, however, was the performance of a three-year-old startup from Boise, Idaho, named Micron Technology. The word "incredible" appears too often in the literature of high technology as a synonym for "remarkable." But Micron's DRAM feats have been literally incredible in that the industry for many months refused to believe them. What most of the world's leading electronics firms were unable to achieve with hundreds of millions of dollars and often with the support of their nations' governments, Micron accomplished with some $20 million, chiefly from an Idaho potato farmer. While many major companies in Europe and the United States that targeted this technology failed to produce any manufacturable 64K device at all, Micron contrived the world's smallest and thus most cheaply produced DRAM chip. Now the industry believes and is thronging Micron's remote headquarters with proposals to license the company's 256K design.

Inscrutable Occidentals

For all the attainments and potentials of U.S. semiconductor firms, the Japanese remain extraordinarily potent competitors who will probably continue to gain share in the exploding chip markets of the coming decade. But their ascendancy, chiefly in manufacturing chips from American designs, poses little threat to the U.S. industry. In fact, the Japanese challenge has probably been beneficial to the U.S. semiconductor industry as well as to U.S. systems houses making computers and other chip-based gear. Any further effort to exclude Japanese chips from American markets will likely hurt the U.S. economy more than the Japanese.

In 1982 the Americans enhanced their reputation as inscrutable occidentals by launching suits at once charging the Japanese with dumping and with price-fixing 64K DRAMs. But stopping 64K DRAM shipments from Japan would have provided little help for American companies; never capable of fulfilling alone the surging demand from the makers of personal computers, by mid-1983 they had allowed their lead times to stretch beyond 20 weeks.

The chief victims of protection would have been American makers of personal computers, which could not have filled their DRAM sockets without help from Japan. The chief beneficiaries would have been Japanese personal computer makers, among them, ironically enough, Hitachi, Nippon Electric, and Fujitsu, the three leading Japanese semiconductor firms.

More important, the Japanese challenge has galvanized the American industry to more efficient and resourceful performance. When Hewlett-Packard announced two years ago that Japanese RAMs showed fewer defects than American parts, U.S. firms responded with a quality campaign that readily closed the gap. When the Japanese moved impressively into CMOS, American companies launched a drive to excel in that crucial technology and were little behind by the middle of 1983.

What most of the world's leading electronics firms failed to achieve with hundreds of millions of dollars and often the support of their nations' governments, a tiny U.S. startup accomplished with some $20 million, chiefly from an Idaho potato farmer.

Moreover, Americans brought to bear their greatest asset, entrepreneurial skill: 10 new companies burst forth to make major CMOS products. And when the Japanese targeted the American semiconductor industry, Americans initiated an array of cooperative research and development projects.

U.S. analysts must get over the notion that this is a zero-sum world, where gains for Japan must come at the expense of the United States. In fact, Japan and the other Asian supply-side nations for several decades have been the driving force of world economic growth, vindicating capitalism, expanding markets, stimulating American economic progress, and raising living standards. At the same time, U.S. high technology has provided the crucial innovations that have made the Japanese and other Asian accomplishments possible. Among the prime benefits has been a dramatic improvement of the wealth, power, and security of the West in the international struggle against communism.

Leading the Way

Climaxing this process of complementary growth and progress has been the recovery of 1983. It was a supply-side recovery led in part by the semiconductor industry and its industrial customers and crucially aided by prod-

ucts from Japan. For the first three quarters of 1983, sales of capital equipment were four times the average in previous postwar recoveries, despite a 9 percent decline in sales of nonelectrical machinery. Though consumer spending failed to ignite until the second quarter of 1983, computer and electronics sales lurched upward some 17 percent in the first quarter after steady advances through 1982.

The semiconductor industry in the United States today owes much of its extraordinary vitality to the initial major salvo of the supply-side movement: the capital gains tax cut of 1978 engineered by the late Congressman William Steiger of Wisconsin with the important aid of the *Wall Street Journal* editorial page, the intellectual inspiration of the Laffer curve, and the prestigious support of Martin Feldstein and his National Bureau for Economic Research.

This supply-side bill, reversing a catastrophic tax "reform" of the early 1970s, came just in time. In the mid-1970s, the evaporation of venture capital had halted new high-tech public offerings and gravely slowed progress in the computer industry. In desperation, American entrepreneurs sold their technologies to foreigners in order to continue development. Gene Amdahl, for example, America's leading computer designer, had to turn to Fujitsu of Japan for capital after he left IBM, and Richard Petritz, formerly of Texas Instruments and Mostek, sold out to the National Enterprise Board of Great Britain to get funds for Inmos, a promising semiconductor startup. In all, between 1974 and 1978, 14 significant chip firms slipped away to foreigners during this Silicon Valley tax sale.

Following the 1978 cut in the capital gains tax, however, venture capital funds, public offerings, and business starts all resumed the surging trajectory of the late 1960s and early 1970s. By the end of 1978 venture funds had risen more than 15-fold, from $37 billion in 1977 to some $570 billion in 1978. By 1981 this catalytic source of capital had reached record levels of $1 billion to $2 billion annually, depending on definitions. Following a further cut in capital gains levies, venture spending rose to more than $7 billion in the first eight months of 1983. Without the 1978 capital gains tax reduction, it is fair to say, the current resurgence of the American economy would have been much slower, and the United States might no longer lead the world in the computer and microchip technologies.

The central role of venture capital in economic growth was suggested in a recent study by the General Accounting Office of 72 high-tech companies launched with a total of some $209 million in venture funds since the 1978 cut. These companies directly created 135,000 jobs, generated some $350 million in additional federal tax revenues, and produced some $900 million in incremental exports. Compared with $4 billion for a federal employment program designed to create some 250,000 transitory jobs, the venture industry and the semiconductor companies it spawns demonstrate that effective capital formation is more a matter of quality and entrepreneurial insight than of mere quantitative measures of investment spending.

What the semiconductor industry needs now is an expansion of supply-side policy. A prime concern should be trained personnel. Research and development tax credits and subsidies and Pentagon contracts will do little more than divert already-scarce engineering talent from more commercial activity unless adequate financing is available for American institutions of technical education.

Talent from Abroad

Just as important, the semiconductor industry needs a policy of easy immigration. Admission of foreign engineers and other workers, whether in U.S. schools or in refugee ships, should be promoted rather than

A prime lesson of the semiconductor industry, as of all American history, is that the best industrial policy of all is easy immigration.

obstructed. A prime lesson of the semiconductor industry, as of all American history, is that the best industrial policy of all is easy immigration. None of the leading U.S. semiconductor firms could have achieved their breakthroughs without the aid of foreigners, many of whom are now U.S. citizens. From Jean Hoerni, the Swiss immigrant inventor of the planar process that made integrated circuits possible; to Andrew Grove, the Hungarian-born president of Intel; to Mohan Rao, who was born in India and has been the key figure in Texas Instruments' DRAM program; to Dov Frohman, the Israeli-born inventor of the EPROM; and to the thousands of Vietnamese, Cubans, and other refugees; immigrants have been indispensable to America's entrepreneurial vigor and technological creativity.

Apart from the prime need for personnel, semiconductor firms in the United States need more and cheaper capital. Micron and other impressive startups belie the theory that semiconductors have become a mature industry, with high capital costs a prohibitive barrier to entry. But the continued appeals for foreign capital—and the persistent sales of technology to foreign firms—suggest that a high priority of policy makers should be correcting the bias in the 1981 tax act against companies that have rapidly depreciating capital equipment. Although heavy-industry firms now can write off equipment far more rapidly than it actually depreciates, high-tech companies still face adverse depreciation rules. Semiconductor capital equipment is often obsolete in three years, yet the law gives it the same depreciation schedule as a blast furnace or an oil rig.

The semiconductor industry also needs an international trading system as open as possible. Most semiconductor firms have plants around the world and potential markets everywhere, from the Third World to outer space. Trade restrictions, quotas, and other protections will inevitably hurt the industry, even if adopted in the name of semiconductor interests.

Above all, the semiconductor industry needs growth, and growth depends on the continued reduction of all the high marginal tax rates, regulatory restrictions, and other obstacles to creative enterprise. This has been largely a supply-side recovery, led by chip-based products. The continued application of supply-side policy can extend the recovery through the century and around the globe.

If some academics and politicians wish to call this agenda of growth and progress a form of industrial policy, so be it. What matters is not the name but the commitment to the economics of entrepreneurial creativity, the spirit of American enterprise, on the frontiers of opportunity and innovation.

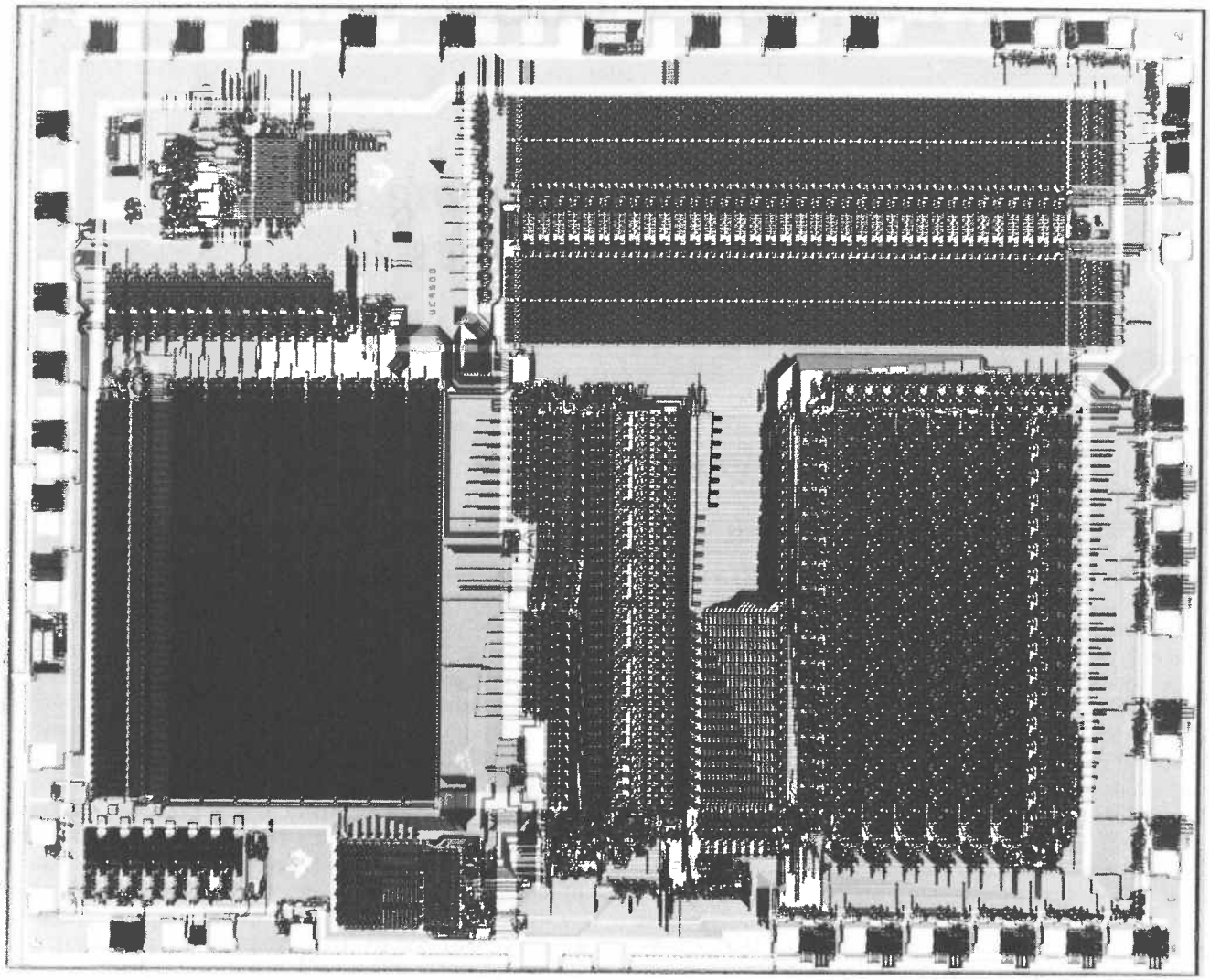
A Saga of Soaring Productivity

In 1957, about a decade after the invention of the transistor, Western Electric's semiconductor manufacturing plant in Allentown, Pennsylvania, employed 4,000 workers. They produced about five transistors a day per worker. In 1983, Western Electric's Allentown plant still employed about 4,000 workers. They were still manufacturing transistors. But they produced some 6.4 trillion of them, or 5.3 million transistors per worker per day: a productivity increase of a factor of 1.06 million. Each of the some 10 million transistors sold from Allentown in 1957 cost about $2.50; in 1983 they sold for thousandths of a penny apiece.

This increase in productivity and decline in price was accompanied by a radical rise in quality. Each of the transistors made in 1983 was far cheaper to operate, far more reliable, and incomparably more useful than the earlier devices. In the late 1950s the transistor was a relatively rare and expensive component, used in pocket radios, hearing aids, and a few other specialized products. By 1983, connected by the scores of thousands in integrated circuits less than a quarter-inch square, transistors had heralded the finally triumphant computer revolution.

In 1957, Western Electric was one of eight American companies manufacturing transistors. By 1983, hundreds of companies commanded some semiconductor manufacturing capability, and some 90 firms were significant producers. But Western Electric was the only one of the original eight to remain a major force in the industry. After 35 years producing chips for use by the telephone company, Western in 1983 was preparing to sell the devices on the open market for the first time. But the industry had developed to the point where the entry of this telephone leviathan was greeted in Silicon Valley less with fear than with indifference, accompanied with doubts that the unionized giant could compete in this cost-driven business.

Strangely, this saga of soaring productivity growth and plummeting prices has had little impact on the statistics of GNP, inflation, and productivity compiled in Washington. The Bureau of Economic Statistics, for example, explicitly assumes that computers have been rising in price at a rate of 1 percent a year. Because the price of chips has been dropping at an exponential pace, the numbers crunchers in the government—who weigh the productivity of American labor by the inflation-adjusted market value of their product—almost entirely miss the heroics of the Allentown 4,000 and the rest of the workers in the semiconductor industry. The real yield of the semiconductor advances has been passed on, mostly free of charge and devoid of notice, to the world's consumers.



How many circuits can dance on the head of a pin? This 32-bit microcomputer chip, made by Texas Instruments, is no bigger than the fingernail on your little finger.

Why Arms Control Failed

It Didn't Stop the Alarming Buildup of Soviet Missiles

Robert W. Kagan

Enthusiasm for arms control persists in America even at a time when most Americans really do mistrust the Soviet Union and consider it the greatest threat to peace and freedom in the world. Americans have largely rejected détente, but they cling to one of its pillars: the principle that negotiations with the Soviet Union over nuclear weapons will make the world a safer place.

Yet the history of U.S.–Soviet arms agreements does not give cause for such enthusiasm, and the present arms control fervor would seem, in Dr. Johnson's words, a triumph of hope over experience. Arms control negotiations have not yielded the results that many of their proponents anticipated or promised. They have failed to reduce the likelihood of nuclear or conventional war. They have failed to ease tensions between the United States and the Soviet Union. Most important, they have failed to stop the most threatening and destabilizing military development in the postwar world: the massive buildup of Soviet land-based intercontinental ballistic missiles (ICBMs), which began in the 1960s and continues to this very day.

The buildup in both the quantity and the quality of Soviet warheads has gone far beyond what was needed to fit the model of mutual assured destruction, or MAD, that has dominated American nuclear strategy. As Soviet warheads have grown in number and improved in accuracy and reliability, America's own land-based missiles have been increasingly perceived as vulnerable to a Soviet first strike. The credibility of the U.S. nuclear deterrent in protecting Europe against conventional or nuclear attack has been called into question.

Throughout the decade of the strategic arms limitation talks, the U.S. negotiations focused on the size and destructive capacity of Soviet land-based ICBMs. Reducing the threat that these forces pose to American land-based missiles continues to be our overriding aim. But American negotiators have failed to achieve this goal. Their failure results not from any lack of sincerity or conviction to arms control but from a systematic effort by the Soviet Union to change the balance of power.

In 1962 the United States possessed an overwhelming strategic nuclear advantage over the Soviet Union. The Cuban missile crisis, however, marked a turning point in the strategic relationship between the two powers. For the United States, it highlighted the dangers of confrontation between nuclear powers. The prospect of even a relatively small Soviet attack on U.S. soil made Americans anxious to reduce the likelihood of further nuclear confrontations. They therefore sought to end the arms race. The government decided unilaterally to stop increasing its nuclear forces and to maintain permanent levels of 1,054 land-based ICBMs, 656 submarine-launched ballistic missiles (SLBMs), and 400 B-52 bombers. As a matter of doctrine, many American officials decided that strategic parity with the Soviet Union was not just inevitable but even desirable. If each side could inflict unacceptable damage on the other in retaliation for a nuclear attack, so the theory went, then neither side would be tempted to strike first. The strategic balance would be stable when both sides possessed a second-strike capacity. Arms control agreements could help create and make permanent this balance. Such agreements would limit the size of both arsenals, since further building would be both unnecessary and destabilizing.

While this doctrine was shaping American policy, the Soviet Union began building new weapons at a rapid rate. The Soviet Union had approximately 250 land-based ICBMs by 1965, 570 by the middle of 1967, and 900 by September 1968. In September 1969 it surpassed the United States in land-based ICBMs, and by the end of 1970, its land-based force was 1,440 and still rising. At the same time it was enlarging its SLBM force.

The SALT negotiations began in 1969, while the Soviet buildup was in full swing. According to MAD doctrine, the time was ripe for an agreement. Both sides possessed enough missiles to survive a first strike and inflict a devastating second strike. There was therefore no need for continued arms buildup. Rough strategic parity had been achieved.

Still, the Soviet buildup caused some concern in the United States. If the Soviets accepted the idea of MAD,

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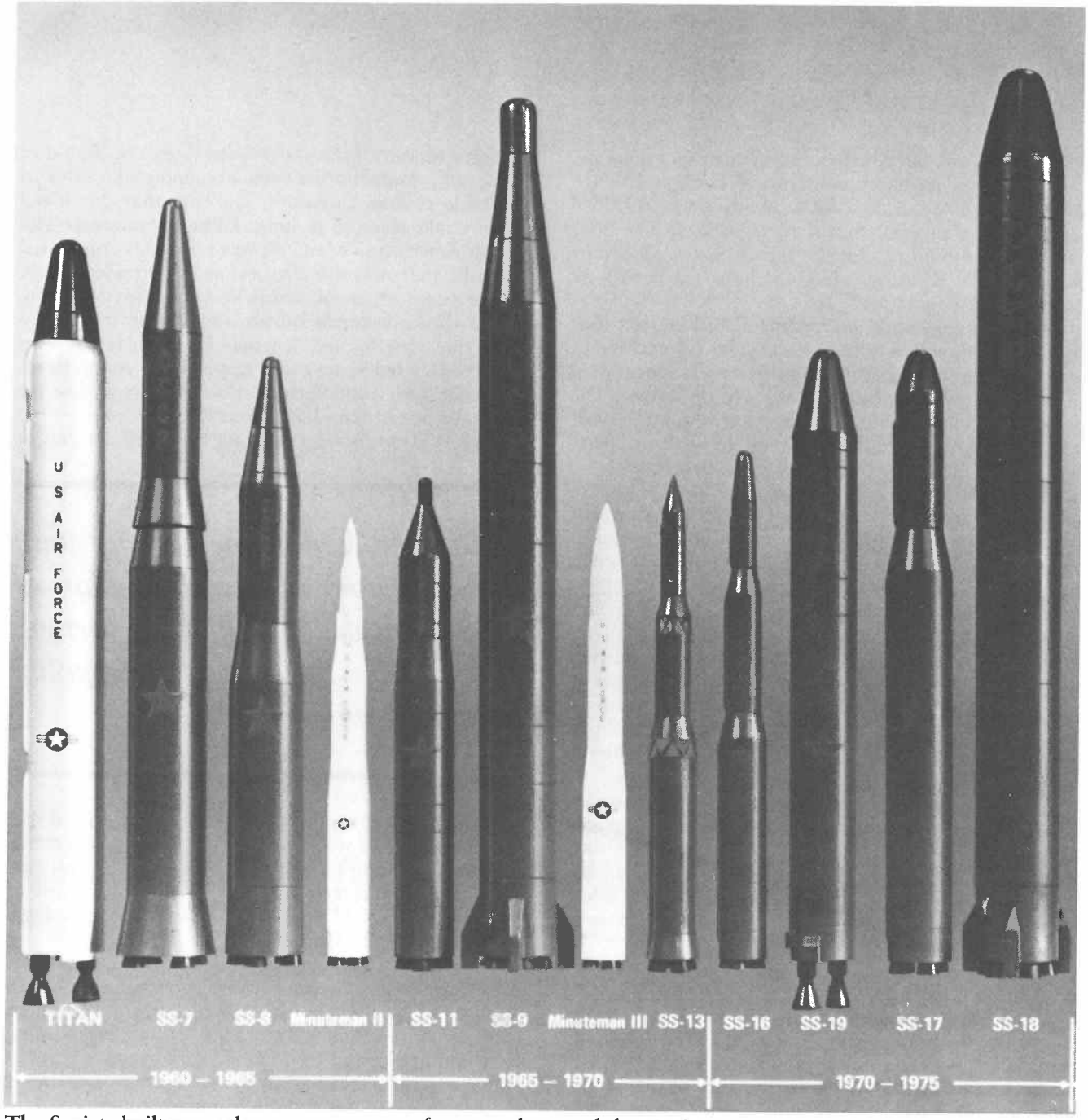


The Soviets built more than were necessary for mutual assured destruction.

why did they need 1,440 ICBMs, not to mention the 1,650 ICBMs that were eventually built by the time the SALT treaty was signed in 1972? It was true that the United States had several advantages in its force structure—superior bomber and submarine forces, a technological edge especially in the development of MIRVs (multiple independently targeted reentry vehicles)—and the Soviet Union could merely have been compensating with numerical superiority in land-based missiles. Some American officials suspected, however, that the Soviet Union might be trying to develop the capacity to knock out American land-based missiles in a first strike. Given the state of technology, only land-based missiles, particularly if MIRVed, could become "hard-target killers," that is, capable of destroying missile silos.

One American goal in SALT I, therefore, was to limit the number and power, or throw-weight, of Soviet land-based missiles that could threaten the Minuteman force. American negotiators tried to achieve this goal by freezing both sides' existing forces at a level of rough parity, or "essential equivalence." Even if the Soviet Union had foolishly embarked on an effort to achieve superiority in land-based missiles, the United States could "teach" the Soviet leaders the folly of such aspirations. The Soviet Union would presumably be forced to see the inescapable logic of MAD.

The SALT I treaty, however, did little to address American concerns about the Soviet Union's potentially dangerous land-based missile force. It froze the number of Soviet ICBMs at 1,650, compared with 1,054 for the United States. It also gave the Soviet Union a special allowance for 300 "heavy" ICBMs, which at the time consisted largely of the enormous SS-9 missile. The United States, which was dismantling its heavy ICBM, the Titan, and had no plans for a successor, was not permitted any heavy missiles. Defenders of the agreement

cited several areas of American superiority that theoretically made up for those deficiencies: more and better bombers, more accurate ICBMs, an advantage in MIRV technology, a superior SLBM force. And in any case, SALT limited nothing that the United States wanted to build. Henry Kissinger described the trade-offs as "offsetting asymmetries."

This rationale didn't address the disturbing fact that the Soviet Union had refused to consider either dismantling the heavy missiles or limiting their replacement with other, more modern, heavy missiles in the future. The Soviet Union was obviously committed to its large land-based ICBM program; the American rationale of offsetting asymmetries merely made a virtue of necessity.

The Soviet Union's heavy missile, the SS-9, was intended as a "counterforce" weapon, for use against American missiles, not a "countervalue" weapon, for use against industrial and population centers. It employed a primitive form of MIRV technology, and as Strobe Talbott describes it in his 1979 book, *Endgame: The Inside Story of SALT II*, "The 'triplet' of dummy warheads fell too far apart to suggest they were meant to wipe out one city but too close together to destroy three cities. The targeting pattern, or 'footprint,' suggested instead that the SS-9 was learning to stamp out one of the Minuteman fields spread out over many square miles in North Dakota, South Dakota, Montana, Missouri and Wyoming."

The SALT negotiations were supposed to be based on MAD. If, however, the land-based leg of the American nuclear triad could be wiped out by a Soviet first strike, would the American deterrent still be credible? The debate about land-based missile vulnerability, which had been only a distant concern, began to take center stage in the American strategic thinking.

No Choice at All

A haze of uncertainty has always surrounded discussions of what might happen should deterrence fail and nuclear war break out, simply because the world has had no experience in fighting nuclear wars. But strategic theorists envisioned the following scenario: If the Soviet Union developed a theoretical ability to destroy America's entire land-based missile force in a first strike, Soviet leaders might be tempted to use their superiority to blackmail an American president in some dire superpower confrontation. A counterforce attack on American land-based missiles would leave the United States unable to respond against the large number of land-based missiles that the Soviet Union would still hold in reserve. The remaining American retaliatory forces would be on bombers and submarines, but their utility would be problematic. Some of the bombers would have been destroyed on their airbases and some of the submarines destroyed in port during the initial Soviet attack. The remaining bombers would have to penetrate dense Soviet air defenses to deliver their payloads, and some would be lost through attrition. Most significantly, however, neither SLBMs nor bombers could destroy hard targets, and thus the United States would not be able to destroy the remaining Soviet land-based missiles. The only possible retaliation would be against "soft targets," such as conventional military bases and industrial centers. Would an American president order such a second strike, with its inevitable civilian casualties, knowing that the Soviet Union could respond in kind, killing as many as 100 million Americans? Many strategic theorists considered it possible that under the circumstances a president might sue for peace on terms favorable to the Soviet Union. Such a choice between suicide and surrender was unacceptable, they argued. It would be much more desirable if the United States could respond to a counterforce first strike with a counterforce second strike against the remaining Soviet land-based missiles.

Some MAD purists, on the other hand, did not consider land-based vulnerability a problem. They argued that the American threat to respond to a Soviet counterforce strike with an attack on Russian population centers provided a credible deterrent. It didn't matter what kind of nuclear strategy the Soviet Union had adopted. The logic of MAD was inescapable.

The Soviet Union, in keeping with Lenin's theory of the correlation of forces, believed that nuclear strength would confer advantages in geopolitical competition.

Nevertheless, the Soviet buildup of land-based missiles undermined the American strategic consensus on MAD. If there were no usefulness to strategic superiority, American strategists asked, why was the Soviet Union seeking an advantage in land-based missiles? Why was the Soviet Union willing to create strategic instability by developing the capability to destroy the Minuteman force?

The best answer seemed to be that the Soviet Union, in keeping with Lenin's theory of the correlation of forces, believed that nuclear strength would confer advantages in geopolitical competition. Perceptions about the relative strength of the two superpowers could affect the international behavior of both countries, their allies, and the neutral nations. The Soviet Union's strategic parity with the United States, after all, had already raised serious doubts in the NATO alliance about the American nuclear umbrella, and today the alliance is still suffering from its adjustment to the new strategic balance. And though it is perhaps coincidental, the Soviet Union's nuclear buildup beyond the requirements of MAD was accompanied in the 1970s by an increase in Soviet adventurism in Asia, Africa, and Central America.

Many American strategists, therefore, began to worry that inferiority and vulnerability in land-based forces would also detract from America's prestige and ability to protect its interests around the world. The new consensus among American strategists following the conclusion of

SALT I was that American land-based missile vulnerability had to be prevented, and failing that, equivalence in this important part of the strategic balance had to be restored.

In the years following SALT I, however, two factors conspired against that goal. In America there was the congressional attack on the defense budget and on new weapons programs. Weapons due for deployment in the late 1970s—the B-1 bomber, the Trident, and the MX missiles—were repeatedly delayed. Even MAD purists not concerned with Minuteman vulnerability had reason to be upset that modernization of the other two legs of the triad was canceled or delayed. In Mr. Kissinger's words, "Our strategic dilemma was that without these future weapons systems our strategic forces would grow increasingly vulnerable; even with them our long-term security requirements were changing."

Meanwhile, the Soviet Union was developing and deploying new systems—the second factor that led to U.S. vulnerability. When SALT I put a halt to their quantitative buildup, the Soviets had turned to vigorous qualitative improvements in land-based missiles. In 1973, only one year after signing SALT I, the Soviets began replacing their heavy SS-9 missiles with SS-18s, many of which carry 10 MIRVed warheads.

The Soviets also took advantage of a loophole. In SALT I the two sides had failed to agree on a precise definition of heavy missile. As a result, when the Soviets began testing the large SS-19, a more accurate missile than the SS-18, the United States could not get the Soviets to classify it as heavy, even though it was larger than any existing American missile and those Soviet missiles classified as light. The combination of the SS-18 and SS-19—two missiles that were as large and destructive as their predecessors but also more accurate and reliable—meant that the day of Minuteman vulnerability was approaching sooner than had been anticipated.

U.S. Concessions

American arms negotiators therefore continued to seek reductions in the growing Soviet threat to the Minuteman force, while the Soviets refused to accept limits on their large land-based ICBM programs. In 1974 both sides reached an agreement at Vladivostok placing equal limits on both forces. However, the ceilings for total delivery vehicles allowed the Soviet Union to keep its heavy land-based missiles, and the limits on MIRVed launchers let it continue full-tilt on its MIRV program. Mr. Kissinger, under pressure from some members of Congress, notably the late Senator Henry Jackson, tried many formulas to get the Soviets to limit their heavy missiles, but in the end the United States conceded the heavy missile issue to the Soviets.

The Vladivostok agreement did little to address the problems created by Soviet land-based missiles and Minuteman vulnerability. Indeed, the whole SALT process so far had only managed to ratify weapons levels that both powers had arrived at unilaterally. Secretary of Defense Harold Brown feared that the Soviet Union might someday take advantage of American vulnerability in a "cosmic roll of the dice."

The SALT II negotiations were extensive, detailed, and exhausting. In a complex bargaining process each side sought to limit those weapons of the other side that concerned it most. The United States, as before, tried new formulas to achieve reductions in the most threatening Soviet land-based weapons. Unlike SALT I, the ceilings negotiated in SALT II were equal for both sides, although the Soviet Union retained its monopoly on heavy missiles with the 300 MIRVed SS-18s. The equal ceilings, however, which were based on numbers agreed upon at Vladivostok, were extremely high—2,400 strategic launchers, and a subceiling of 1,320 MIRVed launchers, of which 820 could be land-based MIRVed ICBMs. These ceilings allowed both sides to build up their forces, but since the United States had no plans to add to its forces before the treaty expired in 1985, the net result was to permit the Soviet Union to continue to build up unilaterally. Moreover, the limit on land-based MIRVed ICBMs, the weapons that threatened the Minuteman force and strategic stability, allowed the Soviet Union to add 100 of these dangerous weapons to its forces. In no sense, therefore, did SALT II accomplish what its most ardent supporters claimed as its chief purpose: to restore strategic stability by reducing or at least curtailing significantly the Soviet Union's large land-based ICBM force. Both Secretary Brown and Chief Negotiator Paul Nitze agreed that under the terms of SALT II, 90 percent of the American Minuteman force would be vulnerable to a Soviet first strike by 1985.

Defenders of the treaty argued that without SALT II, the Soviets could be expected to deploy many more MIRVed ICBMs than the 820 limit. They also pointed to other clauses in the treaty that limited Soviet capacities. The "fractionation freeze," for instance, limited the number of MIRVed warheads on an ICBM to 10; the SS-18 could conceivably carry 40. Limits on weapons modernization, painstakingly negotiated to allow the United States to use its satellite reconnaissance to monitor Soviet missile tests, theoretically restrained the Soviet Union from significant further qualitative improvements in its weapons.

Moreover, as Strobe Talbott notes in defending the treaty, "SALT II did not prevent the U.S. from doing anything it might have needed to do in response to the burgeoning threat." The Soviets negotiated long and hard to scotch U.S. development and deployment of the MX missile, a more accurate ICBM with a much greater hard-target kill capability than the Minuteman. They then tried to prevent the United States from arming the MX with 10 warheads—arguing that only the SS-18 should be allowed 10 warheads, in a kind of grandfather clause to their heavy missile monopoly. They also tried to limit the American Trident SLBM, which promised to be a relatively invulnerable hard-target killer. And finally, the Soviet negotiators attempted to limit development and deployment of American cruise missiles. The United States, for the most part, resisted these efforts.

In the end, however, SALT II clearly failed to solve the thorniest problem of the decade-long negotiations. The Soviet Union did not have to reduce its forces in any way that might have lessened the threat to American land-

based missiles. The potential vulnerability that had concerned American strategists throughout the 1970s had become a reality.

Undoing the Damage

The failure of SALT II culminated a decade of frustration in American arms control efforts. The old strategic consensus based on MAD was undermined. The new strategic consensus, based on a concept of war fighting that the Soviet Union, by virtue of its relentless buildup in land-based missiles, had all but imposed on the American strategic community, took over as the establishment wisdom. The report of President Reagan's Commission on Strategic Forces all but discarded faith in MAD and in the capacity of arms control to achieve stability.

A common misperception has held that the commission, headed by Brent Scowcroft, denied the existence of a strategic "window of vulnerability." To be sure, in a fairly obvious attempt to fudge that intractable problem, the report argued meekly along the lines of MAD purists that the American strategic triad still provided, in the short term, a deterrent to a Soviet first strike, if only because the Soviet Union would have great difficulty destroying all three legs of the triad in a coordinated first strike. Whatever sense of security that timid reassurance may have offered, however, was undercut by the rest of the report. On the question of land-based missile vulnerability and the strategic implications of the imbalance in U.S. and Soviet forces, the report was unequivocal:

> The Soviets . . . now probably possess the necessary combination of ICBM numbers, reliability, accuracy, and warhead yield to destroy almost all of the 1047 US ICBM silos, using only a portion of their own ICBM force. The US ICBM force now deployed cannot inflict similar damage, even using the entire force.

The existence of this strategic imbalance served as the ultimate justification for the commission's recommendation that 100 MX missiles be deployed as rapidly as possible, even in existing Minuteman silos. It argued that the United States had to be able to respond in kind to a Soviet counterforce first strike.

> A one-sided strategic condition in which the Soviet Union could effectively destroy the whole range of strategic targets in the United States, but we could not effectively destroy a similar range of targets in the Soviet Union, would be extremely unstable over the long run. Such a situation could tempt the Soviets, in a crisis, to feel they could successfully threaten or even undertake conventional or limited nuclear aggression in the hope that the United States would lack a fully effective response. A one-sided condition of this sort would clearly not serve the cause of peace . . . (p. 6) Deployment of MX is essential in order to remove the Soviet advantage in ICBM capability and to help deter the threat of conventional or limited nuclear attacks on the alliance . . . (p. 14)

The Scowcroft commission's recommendations, however, did not offer a solution to the vulnerability problem anytime soon. They called for the development of a new, mobile, single-warhead ICBM to be deployed sometime in the future, and immediate deployment of the MX in existing Minuteman silos, the vulnerability of which, even after further hardening, would be very much in question. Though it set forth some potentially useful guidelines for future American arms policy, the commission essentially threw up its hands on land-based missile vulnerability. Its recommendation for the short run—deployment of the MX—provided the beginnings of an answer to only one part of the problem: the imbalance in large land-based missiles that the Soviet Union has been exploiting to expand its geopolitical influence. The solution to the other part of the problem, however, the dangerous strategic instability, it put off to a later date.

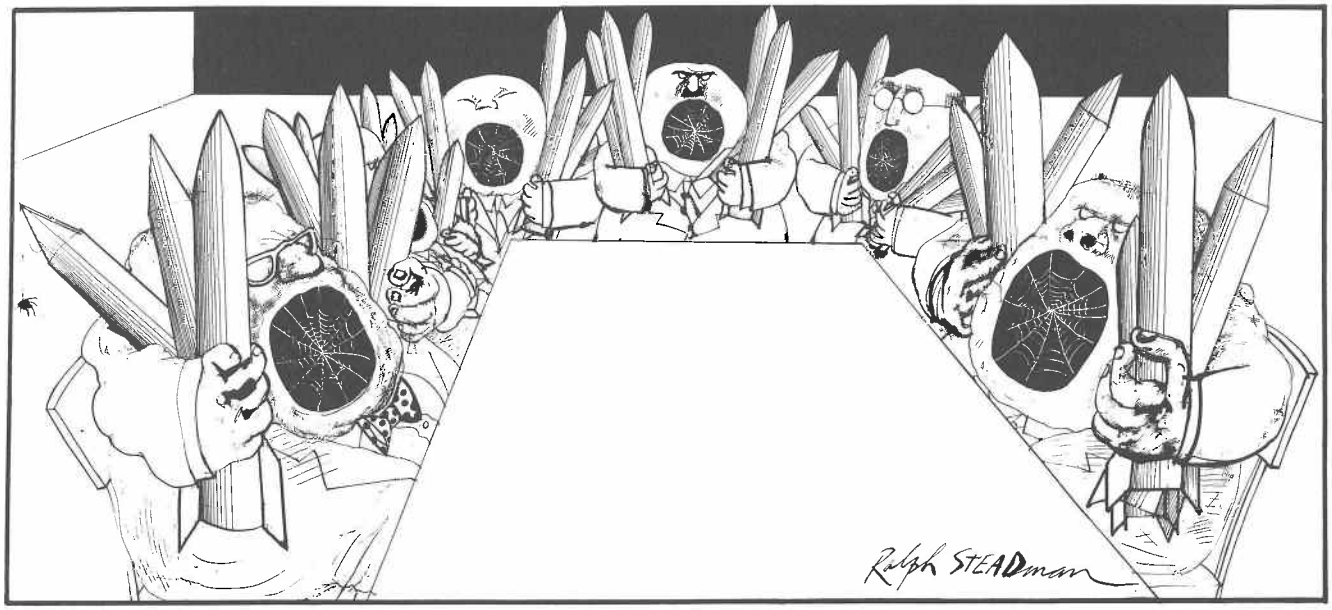
Contrary to its portrayal by politicians and the press, the Scowcroft commission's report did not put faith in arms control. Throughout the report there is notable pessimism that the Soviet Union has any interest in relinquishing its advantages in nuclear forces, unless perhaps it is confronted by actual American deployments. The report sums up the lessons of the SALT decade succinctly: "If there was ever a case to be made that the Soviets would unilaterally stop their strategic deployments at a level short of the ability seriously to threaten our forces, that argument vanished with the deployment of the SS-18 and SS-19 ICBMs."

That pessimism is well justified. Arms control agreements with the Soviet Union won't solve the central problem of our land-based missile vulnerability. The Soviet Union won't give up what it spent enormous amounts of time and money to achieve. What many arms control experts seem not to have understood, except perhaps until very recently, is that the concept of strategic stability may serve American interests, but it does not so clearly serve Soviet interests. It may be true that both sides want to avoid nuclear war, but that is where their common interests end. Since World War II, the United States has wanted more or less to preserve the status quo, and strategic stability is a status quo condition. It prevents either side from throwing its nuclear weight around to make geopolitical gains.

Subscribing to MAD

It was not surprising, then, that the United States tried to use arms control to serve its strategic interests, and theoretically save some money, by freezing the existing balance of forces in the name of MAD and strategic stability. From the Soviet point of view, however, the situation that the United States tried to freeze in 1969 was hardly favorable. The United States was still the preeminent power, particularly with its allies in Western Europe, and stood in the way of Soviet desires around the world. A nuclear stalemate codified in an arms control agreement would only preserve the American position.

It has become clear to almost all arms control experts that the Soviet Union doesn't subscribe and has never subscribed to MAD theories. The aim of war, before nuclear weapons, had always been to destroy the enemy's capacity to continue fighting. The Soviets may believe that this is still the aim of war, and they have constructed



their forces accordingly. Given this war-fighting doctrine, and given that the Soviet Union is not satisfied with the status quo, but is instead a revisionist and even a revolutionary power, it follows that America's cherished goal of strategic stability will not likely be granted by the Soviets in negotiations.

And they will certainly not be cooperative without significant incentives, such as new American weapons, over which they are eager to make a deal. Unfortunately, the United States throughout the decade of SALT talks did not provide such incentives. As Mr. Kissinger put it, "It is impossible to achieve by negotiations what one is not willing to pursue by one's own effort." The United States has spent more than 10 years trying to get the Soviets to limit their land-based missile force without threatening any significant unilateral actions if the Soviets failed to agree. The MX, the Trident, and the B-1 were delayed again and again. The Soviets have understandably never felt the need to dismantle their own forces, knowing that future American deployments might never take place because of American domestic pressure.

Manageable Scenarios

If the past is any guide, arms control agreements can serve only limited goals. They can, for example, cut off testing and development in areas of weaponry that neither side cares to pursue. This may not be a monumental accomplishment, but it does reduce the worst-case scenarios of defense planners to fairly manageable levels, and it may save money. Limiting peripheral areas of the arms race may be worth the trouble of negotiations.

Arms control agreements can also conceivably slow the pace of the Soviet arms buildup. For instance, the SALT II treaty places limitations on testing and deployment of new types of weapons. That may slow down the Soviet qualitative buildup if only because violations could cause an uproar in the United States and spur a reaction. (This hypothesis is open to doubt, however, judging from President Reagan's unwillingness to make public current suspected Soviet violations of the modernization limitations in SALT II.)

But the danger is that Americans will continue to see arms control agreements as an alternative to arms production. If arms control agreements substitute for active measures of national defense, they can do only harm.

Redressing the strategic imbalance and restoring some semblance of strategic stability requires a number of unilateral American actions. Probably the only solution to the problem of land-based missile vulnerability is an antiballistic missile system to defend the missile fields. The Soviet Union may already be preparing to break out of the 1972 antiballistic missile treaty, and as ABM technology advances, the United States may be forced to resurrect the ABM plans it abandoned in the 1970s. ABM was a victim of the antiweapons fervor of the 1970s and of the MAD doctrine. With MAD undermined and the American public more aware of the Soviet threat, the time to reconsider ABM is ripe. ABM weapons in space could also conceivably protect American land-based forces. It is hard to see how a "star wars" defense of missiles, and perhaps eventually of population centers, could be less desirable than our current predicament.

Finally, a credible deterrent requires that long overdue modernizations of all three legs of the strategic triad move forward swiftly. The MX missile, the B-1 bomber, the Stealth bomber, the Trident submarine, and the D-5 missile can all lessen the danger that the Soviet Union will perceive any advantage in threatening a first strike. They are more likely to reduce strategic instability and make the world safer than any arms control agreement.

The failure of arms control is apparently a bitter pill for the American public to swallow. The desire to end the arms competition once and for all—to achieve permanent security—is understandable. It is the job of America's leaders, therefore, not to delude citizens by promising easy ways out of an inescapable situation. The search for security in the nuclear age requires constant effort, and arms control is only a small part of the answer.

Jerry Falwell's Renaissance

The Chairman of Moral Majority Is Redefining Both Politics and Fundamentalism

Dinesh D'Souza

It was with some apprehension that I waited for Jerry Falwell at the airport. I had cheered the founder and chairman of the Moral Majority for his important role in ousting liberal congressmen in 1980. But I was wary of Mr. Falwell's theological fundamentalism as a personal belief. I was raised Catholic and was hardly thrilled about the fundamentalist tradition of anti-Catholicism, epitomized by the Reverend J. Frank Norris's famous 1924 sermon deploring "Rum and Romanism." I had other difficulties with Mr. Falwell. Having been raised on three continents, I found him parochial; educated in the Ivy League, I disliked his apparent anti-intellectualism; colored, I wondered about his Southern, white Christianity. And I found him excessively moralistic.

But Mr. Falwell fascinated me because of the peculiar and irrational response he evoked from his critics. In May 1983, when Mr. Falwell spoke at the Harvard Divinity School, he was supposed to be the rabid fundamentalist and his audience genteel and sophisticated; yet whenever Mr. Falwell mentioned God, the family, or the American flag, students hissed and jeered. He defended pluralism and free expression; several Harvard undergraduates responded with chants of "Hitler, Falwell, go to hell." Midway through his talk two protesters from a Harvard "Committee against Racism" yelled, "Racist, fascist pig" at Mr. Falwell and were dragged, kicking, from the hall by security guards. Even Harvard theologian Harvey Cox, who had invited Mr. Falwell to Cambridge, panicked on the podium and said, "Please understand that my presence here tonight should in no way be understood as an endorsement of what Falwell represents." Mr. Falwell took the microphone and countered, "Thank you for the kind introduction, Mr. Cox. Students, please understand that my speaking here tonight should in no way be construed as an endorsement of the Harvard Divinity School." Nervous applause.

Mr. Falwell's speech was titled "Who Are These Fundamentalists?" It was intended to clarify misconceptions about the moral and political views of Mr. Falwell, and also, in the words of Cal Thomas, vice president of the Moral Majority, "to show that our views are intellectually defensible and that Falwell is not an ayatollah." Earlier Mr. Falwell delivered that speech at Yale and Dartmouth, where he met the same mixture of caterwauling, cynicism, and reserved approval. There were some attempts by radicals to prevent Mr. Falwell from speaking in the Ivy League. At Harvard, divinity school student Stewart Guernsey said that letting Mr. Falwell speak was "playing into his hands." But most students and faculty *wanted* Mr. Falwell to come, to watch him embarrass himself. They armed themselves with "contradictions" in the Bible to hurl at Mr. Falwell. They walked around campus, saying to each other in moneyed tones, "Did you hear, Professor So-and-so? They say Jerry Falwell is lecturing here next week." Condescending smiles.

"You mean Jerry Falwell the . . ."

"That is exactly who I mean."

"Oh, how very interesting. I must make it a point to go. One must never stop trying to *understand* these people, no matter how much one disagrees with them."

"Absolutely. I mean, there is no question that Falwell is a dangerous force in America, he wants to impose his views on everyone else, he poses a dire threat to separation of church and state. But we must keep an open mind about him."

Large crowds turned out at Harvard, Yale, and Dartmouth to hear Mr. Falwell. The students found themselves enjoying his grace and humor, although sometimes it was knife-edged. At Yale he met with President A. Bartlett Giamatti, who had blasted the Moral Majority several months earlier: "Angry at change, rigid in the application of chauvinistic slogans, absolutistic in morality, [Mr. Falwell and his followers] threaten through political pressure whoever dares to disagree with their authoritarian positions." After the meeting Mr. Falwell declared that he and Bart had decided *against* merging Yale and Liberty Baptist College, the liberal arts college Mr. Falwell set up in 1971, after all. At Dartmouth Mr. Falwell was challenged by a student who conceded his First Amendment right to speak but ob-

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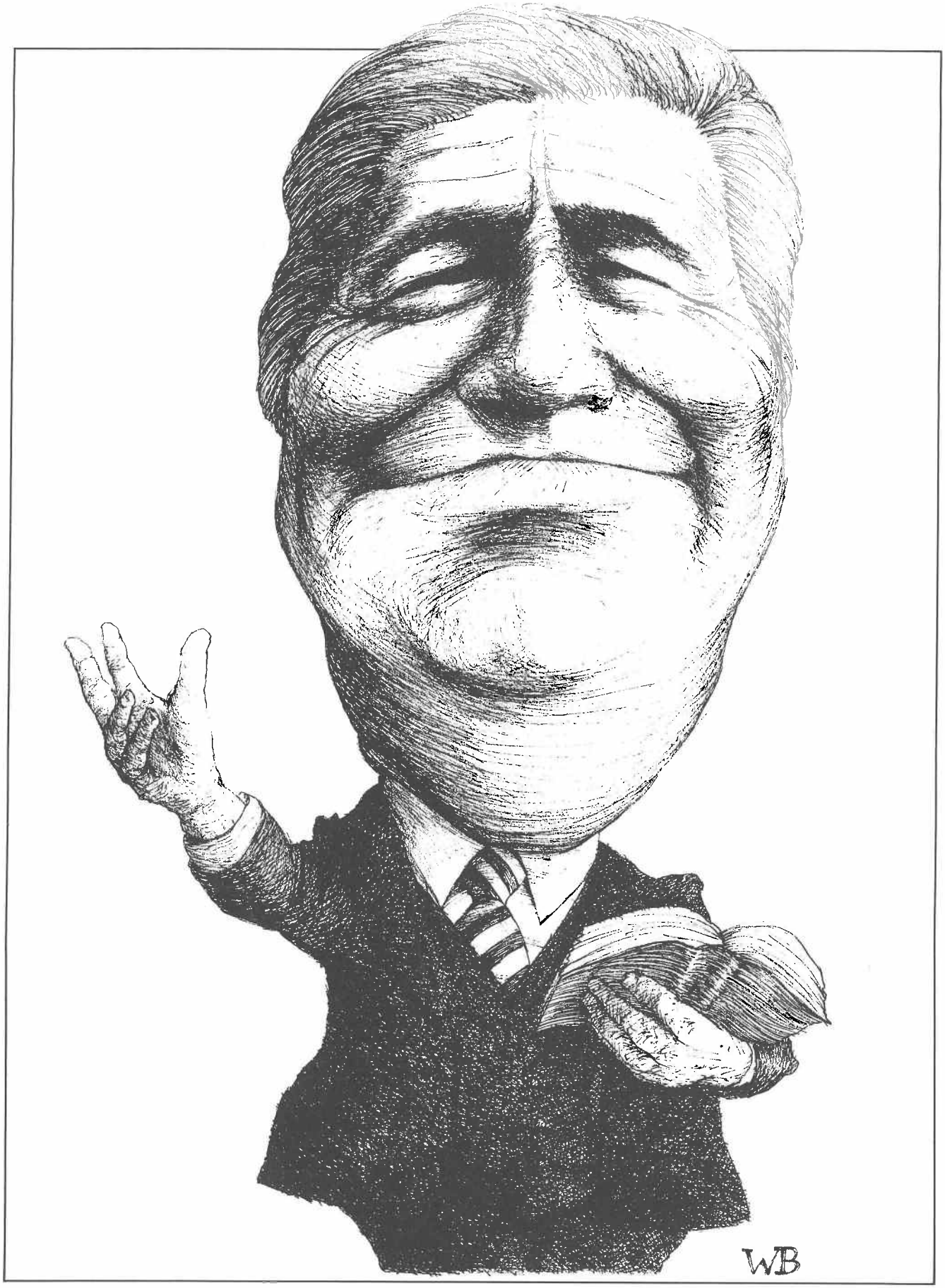
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jected to his "strident tone and manner." Mr. Falwell replied, "Being from the South, I did not have as privileged an upbringing as you did." Some students booed.

These experiences in the Northeast provoked my investigation. I drove down to Lynchburg, in the center of Virginia, to see Mr. Falwell's operation firsthand. I passed a Hicks Market, a flea market, an Amoco station, a paper mill, B. F. Goodrich, a brick courthouse, and Church's Fried Chicken on my way to Mr. Falwell's church. Mr. Falwell is the third largest employer in this manufacturing town, after Babcock & Wilcox and General Electric. And no less than a quarter of Lynchburg's 70,000 people come to Thomas Road Baptist Church every Sunday. The church holds about 3,000 people and conducts five services each Sunday; Mr. Falwell preaches at three. His organizations are sprawled all over Lynchburg: his church, the television studios, the Old Time Gospel Hour offices (which share a complex with the A&P food store), Liberty Baptist College, Lynchburg Christian Academy and Seminary, Treasure Island (a resort for schoolchildren and a summer camp for underprivileged kids from inner cities), Moral Majority offices, and the Elim Home for Alcoholics (a rehabilitation center).

Mr. Falwell's church is full not only on Sunday but also on Wednesday: Fundamentalists attend a midweek service as well as two on Sunday. Members wear their best clothes to church; there were powdered men in polyester suits, ladies with fans, some elderly couples, young girls in sunny dresses wearing thin gold chains with crosses at the end, a few youths in alligator T-shirts, children with their clothes pressed and their hair brushed back. There were a handful of blacks, one or two foreigners, and Liberty Baptist students dressed in navy blue and white, looking dapper. These are shy but friendly people who are genuinely devout, do not know much about politics (except what Mr. Falwell tells them), and carry their Bibles around on Sunday. They are not charismatics or Pentecostals: They do not raise their arms, pray in tongues, or perform other histrionics. They sing hymns—the music is lively but traditional—and then Mr. Falwell gives the sermon. He typically begins and ends with political (and sometimes financial) appeals.

The language of his sermons is strong. Abortion is "baby killing," Senator Chris Dodd is a "socialist," feminists are "to the left of Andropov." Mr. Falwell makes no claims to being an arcane rhetorician. He is a down-to-earth preacher. But he has an uncanny ability to evoke deep longings, loves, and fears, even in the most sophisticated people. He uses symbols like the flag and the family very effectively. He has a synthetic mind that organizes his data. Typically, he breaks down his talks into "five ways to pray" or "three sins of America." Mr. Falwell speaks for an hour or so. It is both rousing and cathartic, and at the end there are tears in some people's eyes.

It is amusing, and a little touching, to see Mr. Falwell play the small-town pastor's role in his Lynchburg church. Toward the end of his service, he reads off the names of church members moving away or getting married, recognizes visiting pastors, and advertises for a member who wants to sell his bicycle. He is also frank about his travels and can be a shameless name-dropper ("I talked to Menachem Begin on the phone yesterday"), but somehow he manages to stay humble, or seem humble. So his people don't mind one bit. Mr. Falwell is their kid-next-door who made it big, who debates the nuclear freeze on the "Phil Donahue Show" and vacations at Myrtle Beach.

Lynchburg is divided about Mr. Falwell. The Reverend John Killinger, pastor of First Presbyterian Church in Lynchburg, estimates that the city would vote 50–50 on a petition for or against Mr. Falwell. Last year Mr. Killinger preached a sermon, which got national attention, in which he accused Mr. Falwell of rapacity and self-aggrandizement. (Mr. Falwell lives comfortably in a church-owned $250,000 home; his salary is $49,500, a small sum, his aides point out, for the head of a $70 million organization.) Mr. Killinger told me that Lynchburg residents don't speak out against Mr. Falwell because they are financially indebted to him. The Falwell ministries and Moral Majority employ nearly 2,000 Lynchburg residents, and Mr. Falwell brings in millions in revenue to the town. Mr. Killinger says his church members "aren't sociologically Falwell's people." He says Mr. Falwell's members are "plumbers and attendants and floor scrubbers" and "I don't know anyone with a college degree who attends Falwell's church—except the faculty at his college." (Faculty attendance at church is compulsory; Mr. Falwell says the philosophy of his college is developed "not at meetings or in committees but from the pulpit.") Mr. Killinger sees his own congregation as above moralism. His people don't share what he calls the "unbudging truths," "intolerance," "dogmatism," and "simplistic statements" of Mr. Falwell's folk. In fact, Mr. Killinger says that the church "is not the institution that ought to be shoring up public morality." After all, he says, "Jesus ate with sinners and was condemned as a glutton and a wine drinker." Mr. Killinger believes the church should deal solely with "grace."

At the Harvard Divinity School, whenever Jerry Falwell mentioned God, the family, or the American flag, the supposedly sophisticated students hissed and jeered.

Two other ordained ministers, Jim Price and William Goodman, are trying to make careers as professional Falwell critics. Messrs. Price and Goodman tape everything Mr. Falwell says and have set up private archives. This irritates Mr. Falwell, who blasts them from the pulpit, invariably (and probably willfully) getting their names wrong.

During the forties and fifties, the membership of fundamentalist churches grew, but their presence was felt mainly in rural areas. Today their preachers, Jerry Falwell among them, enjoy high visibility and pray on prime-time television.

I followed Mr. Falwell around most of a day in early August. He came into his office, across from the church, around 8 A.M. Jeanette Hogan, his secretary, informed him of his long list of appointments: prayer meeting at 8:30 with the deacons; a business session at 9; a conference with his vice president, Cal Thomas, at 10; a talk to seniors at the Lynchburg Christian Academy, Mr. Falwell's school, at 11:30; lunch at 12:30; DeWitt Braud, the Baton Rouge businessman who manages finances for the television ministry, would call at 12:50 to discuss fund raising; Mr. Falwell would have from 2 to 3 to look over the galleys of *Fundamentalist Journal,* a glossy magazine his church puts out; finally, at 4 he was to fly to Jacksonville, Florida, to preach at the 50th anniversary of the ministry of Pastor Wendell Zimmerman at Baptist Bible Temple. I would travel with him and interview him on the plane, he was told. Mr. Falwell ingested his schedule, took his cup of coffee, and went into his office, where the phone was ringing.

It was a reporter from a New York TV station. Some Moral Majority member was quoted as saying he hoped a cure would never be found for AIDS, the fatal disease affecting mostly homosexuals. Mr. Falwell sighed. "I don't know the circumstances; I cannot comment," he said. "But I myself hope a cure is found." He paused, then added the usual, "Of course, the real cure for AIDS is sexual restraint. I'm talking about traditional morality, the notion that . . ." The reporter interrupted, "Thank you, Dr. Falwell, thank you very much," and hung up.

Then the deacons came in, seven of them, for morning prayers. They prayed spontaneously and in turn, asking for personal blessings, invigoration for the ministry, success in missionary efforts (Mr. Falwell's church has agents in 30 countries), and so on. Mr. Falwell talked to God about politics and spirituality in the same breath. "Lord, we ask you to shower your blessings on us, and help us fight the atheists and the secular humanists, in this legislation coming up . . ." The deacons left, scattering toward their various offices in the building.

Mr. Falwell quickly perused the papers for his next meeting. The businessmen were here to discuss the pace of construction for Liberty Baptist College. Charts were laid out across tables and people's knees, and an architect explained the minutiae. Mr. Falwell listened, asking a question here and there. "Gentlemen," he said finally, "your suggestions are excellent. I accept them. Let's keep on with the construction. Don't worry about funds; you know my connections with God." Everyone laughed. Mr. Falwell added, "Remember, Liberty Baptist College will have 50,000 students here in the next 10 years. We must have facilities for them."

Cal Thomas came in to ask Mr. Falwell about Senator Edward Kennedy. The senator had accidentally been put on the Moral Majority mailing lists and received appeals for funds. "Please send your contribution today! The money is urgently needed to fight people like Tip O'Neill and Ted Kennedy . . ." Mr. Kennedy, who has an eye for irony, had called the *New York Times.* Mr. Thomas had sent a note to Mr. Kennedy saying he was amused by the incident, that it was nice that in America reasonable people could disagree, and would Mr. Kennedy like to come down to Lynchburg and speak at Liberty Baptist College?

"Kennedy says yes, I got a call from his man in Washington," Mr. Thomas told Mr. Falwell. "Man, this could be a terrific opportunity for us."

No mere ritual, baptism for fundamentalists has always been an adult act of commitment to the faith.

Mr. Falwell ran his palm up his jaw, a habit of his; he was not so sure.

"Obviously, Cal, it would be publicity," he said. "But what will our people think?"

Mr. Thomas had the answer. "Bill him as the Antichrist!"

Mr. Falwell laughed. "Let's do it," he said. "Get Kennedy here, I mean. But let's also get some good conservative to speak the next week. That way we can bill it as a debate of sorts, and our people won't be mad."

Mr. Thomas ran down a list of potentials: Jesse Helms, Richard Nixon . . . not Jim Watt, he was here last month . . . Larry Armstrong, Jack Kemp, William F. Buckley, Jr. Mr. Falwell selected Mr. Kemp and Mr. Nixon as his first two choices. (Mr. Kennedy came to Lynchburg in October; Mr. Kemp accepted a November speaking engagement.)

After 10:30 Mr. Falwell answered important phone calls: to a pastor friend in Missouri, to a sick church member, to a six-figure contributor who was disenchanted with Mr. Falwell's comments about Israel, to his wife Macel about his clothes for the evening. He also read letters into his Dictaphone; Mrs. Hogan would spend the rest of the day transcribing them. She announced that the Baton Rouge businessman would call early, around 11. Mr. Falwell could talk to him for 20 minutes.

At the Lynchburg Academy he told students he was expecting an outstanding year from them, that knowledge could not be gained without moral character, and that he was building them a new gymnasium. Applause. He patted a few heads on his way out. One of the teachers came up to him with a complaint; he referred it to Ed Dobson, the dean. Then Mr. Falwell and his assistant pastor, Don Norman, stopped for lunch at a diner. Mr. Falwell had just a salad. "I'm trying to lose seven pounds this week, before Macel makes me stand on the scale," he said.

In the afternoon Mr. Falwell took and made more calls while poring over copy for the *Fundamentalist Journal.*

There is a major split coming in American fundamentalism. The evangelist Bob Jones recently called Jerry Falwell "the most dangerous man in America."

He paid most attention to his own article on Christian schools, which he knew was the only one the *New York Times* would read.

At 3:30 Mrs. Hogan called out, "The pilots are ready, Dr. Falwell. Duane is here to take you to the airport."

Mr. Falwell packed his briefcase. "Let's go, Dinesh," he said to me. We took the stairs two at a time down to the car, and then Duane Ward, Mr. Falwell's aide, drove us to the airport.

We climbed aboard Mr. Falwell's jet, a sleek six-seater equipped with restroom and stocked refrigerator. Mr. Falwell turned a few knobs and a mirror slid out; he smoothed his hair and adjusted his silver-rimmed spectacles. I said he looked trim compared with his picture on TV; he said TV inflates people, and besides, he had lost 40 pounds in the last six months. Mr. Falwell offered me a V-8, poured coffee for himself, and beckoned to his pilots; we were off. It was to be a 90-minute ride to Jacksonville. He said that he had preached his first sermon at Pastor Wendell Zimmerman's church in Dallas. I urged him to think back to his days as gang leader and neophyte pastor.

Jerry Falwell was born on August 11, 1933, and raised in Lynchburg by an entrepreneur father who drank himself to death and a stern Christian woman of Puritan stock. He and his twin brother Gene were opposites. Gene was quiet, slouching, and reclusive, a sensitive but capable person, skilled with his hands, as a child his mother's boy, hardly a drinker or boxer, a school dropout who became a quietly successful businessman; retired, he is now a fisherman and storyteller in Lynchburg. Jerry was prankish, quick, and aggressive, getting into bloody fistfights in school, leading a gang, teasing the girls, driving at breakneck speed, qualifying as valedictorian of his class but prevented from giving the address for masterminding a scheme for athletes to eat at the dining hall without meal tickets, entering Lynchburg College as an aspiring engineer, then undergoing a sudden conversion on January 20, 1952, and transferring to Baptist Bible College, finally starting an energetic ministry. When Mr. Falwell started Thomas Road Church in 1956, it had 35 disgruntled dropouts from another Baptist church, and they rented the Donald Duck Bottling Company building in Lynchburg for their first meetings. But Mr. Falwell and his people knocked on doors and gave out Bibles; by 1970 Thomas Road Church had grown to 1,000 members and had a $1 million budget. Now there are 20,000 members and a $70 million budget.

Mr. Falwell was raised, he told me, in the fundamentalist tradition of "treating politics like the devil." In fact, he changed his mind about politics only in the 1970s, he said, "when the state began to encroach on the church." Mr. Falwell points to the court decisions banning voluntary prayer in schools and permitting abortion on demand, the IRS interference in private and Christian schools, the homosexual rights movement, and the spread of pornography and drugs, all of which he says politicized him. I said I could understand his view that the state had climbed over the "wall of separation," but why did he talk about defense, the Panama Canal, President Reagan's economic program? These were not moral issues. Mr. Falwell replied that "national defense and the economy are moral issues, I feel. If the Soviets take over tomorrow, nobody is going to be praying in school, fighting against abortion, or worshipping in church." He also believes the Book of Proverbs sanctions the free enterprise system. Then, almost on cue, Mr. Falwell berates people who criticize him for violating church-state edicts. "Where were they when William Sloane Coffin, the Berrigan brothers, and the National Council of Churches were making political statements? How many of these people criticized the Reverend Martin Luther King for mixing up church and state?"

I say, Mr. Falwell, you feel abortion is your most crucial issue. You talk about the "politics of convenience," but do you think it is an easy decision for a woman to have an abortion? He looks at me, surprised. "It never is, except in very rare cases," he says. "When you're talking about life a thousand miles away, in Afghanistan, for example, it's one thing, but when you're talking about life within you, life you helped create, it is very rare for a human being not to care. That is why almost always you can sit down with a woman and she understands why you are asking her to have that baby, because she knows it is life within her." Because of this, "Even if we get objective or neutral counselors out there, we could stop most of the abortions." Then Mr. Falwell says, unable to resist a jibe, "Unfortunately, Planned Parenthood and the abortion clinics recommend abortion first, even before they get the name of the person they are counseling."

Mr. Falwell, what are you doing about unwed mothers? What do you recommend? He points to his Save-a-

Baby ministry, started a year ago, when he purchased the Florence Crittenden nursing home in Lynchburg. The organization takes in unwed mothers from across the country. They come voluntarily, are flown to Virginia at his expense, live free in Lynchburg at the ministry home, and deliver the child away from small-town friends and relatives. Mr. Falwell concedes that fundamentalists can be "excessively judgmental" and small towns are "places where those judgments circulate very fast," but he stresses that his Save-a-Baby ministry has been successful, treating 1,400 women so far. If a Lynchburg girl gets pregnant—and some do, even at Mr. Falwell's school and church—he says he will arrange, at her request, for her to be sent to a sister church in another state where she can get counseling, attend school or work, and deliver the baby in relative quietude. "If the woman does not want to keep the baby, we arrange for adoption," Mr. Falwell says; some of his church members have already become foster parents.

"I would oppose the removal of any book from a public library. Our people are trying to return to the shelves conservative and Christian books . . ."

Mr. Falwell, aren't fundamentalists often anti-Catholic and anti-Semitic? Why do you support Israel? Here Mr. Falwell begins with some apologies. Fundamentalists have been traditionally anti-Catholic, "although that is changing." Anti-Semitic? "No more than other groups." He admits that he has lost some support from fundamentalists for his strong pro-Jewish and pro-Israel stand. One pastor, Dan Gayman of Schell City, Missouri, published an "Open Letter to Jerry Falwell," accusing him of being "blinded in ignorance" or "knowingly and willfully deceiving millions of honest Christian people" for his support of Israel. But Mr. Falwell refuses to change because he believes Israel is a divinely ordained nation.

This gets into theological complications. Basically, Mr. Falwell's support for Israel arises out of his Dispensationalist tendency. Dispensationalism refers to the Bible's allusions to historical eras, or dispensations; we are in the last of those eras, moments away from Armageddon, Dispensationalists say. Mr. Falwell believes that biblical prophecies about the restoration of the state of Israel will soon be literally fulfilled, whereas other Christian groups tend to interpret those prophecies as already *spiritually* fulfilled; further, they say, the Jews are no longer the "chosen people," having reneged on their promises to God, so that Christians have taken over the Jews' prerogative as God's chosen ones. So Mr. Falwell's pro-Jewish stand has strong theological roots, although he has come to admire greatly the closeness of Jewish families, their culture, their entrepreneurial skills, and Israel's military prowess. For Mr. Falwell, nothing that Israel does can be wrong. This realization came to Menachem Begin, the former prime minister of Israel, who is a close friend of Mr. Falwell's and awarded him the prestigious Jabotinsky award for distinguished service to Israel. The Jewish community seems divided about Mr. Falwell, although charges of anti-Semitism, occasionally slung at him, appear to stem from a general political opposition to his stands rather than a genuine fear that he dislikes Jews. And no, Mr. Falwell did not say that God does not hear the prayers of a Jew; that was Bailey Smith, head of the Southern Baptist Conference.

Mr. Falwell, I asked, what books do you want censored? Please be specific. Mr. Falwell said, "I would oppose the removal of any book, I repeat, any book, from a public library. Not only do I protest the removal of books from the shelves, but our people are busy trying to return books to the shelves—conservative and Christian books that are systematically excluded." This is the classic Falwell turnabout—he flings your argument in your face. I said, admirable, but isn't it true that Moral Majority representatives have disagreed with you and in fact tried to burn books? Mr. Falwell asked me to give two examples, which I could not give. He cited one. "There was a big fight, in Texas I believe, about school parents who wanted to remove Eldridge Cleaver's *Soul on Ice* from the school library. Now that book is filled with obscenities and blasphemies. The librarians won, and the book remained on the shelf. But Cal Thomas called that librarian and asked if she kept a copy of *Soul on Fire,* which Cleaver wrote after he became a Christian. The librarian told Thomas she had never heard of the book." Now Mr. Falwell *does* support the right of school boards and parents to influence the kinds of books that children read—he does not think that should be purely up to teachers and librarians, and he does think standards of decency should be considered—but he assured me that he was a supporter of "academic freedom" and the "free exchange of ideas." I said fine, but his words were going to be published, and people would hold him to this standard. He said fine.

Our plane touched down in Florida. We were met by Pastor Zimmerman, an elderly, soft-spoken man, whom Mr. Falwell hugged closely. He hadn't seen Mr. Zimmerman in years and seemed moved by the reunion. Mr. Zimmerman stammered how grateful he was that Mr. Falwell had taken the time to come, he knew how busy Mr. Falwell was, and so on, but Mr. Falwell dismissed that and joked about Mr. Zimmerman's driving, which was erratic. At Baptist Bible Temple we were greeted by several church elders in three-piece polyester suits. The church was teeming, and a cheeky television cameraman was wheeling his equipment up the center aisle, to the consternation and resentment of the people. Someone asked Mr. Falwell to sign a Bible; he said no, he would not sign a Bible, but he would sign a piece of paper. An old lady insisted on clutching Mr. Falwell, but being extremely short, she had to be content with his middle. He seemed at home in this crowd; he smiled constantly,

After William Jennings Bryan lost the Scopes trial in 1925, fundamentalists withdrew from politics and the mainstream of American life.

he shook hands, he called people "brother" or "sister," he accepted little worthless mementos and listened to dramatic stories of healings and conversions.

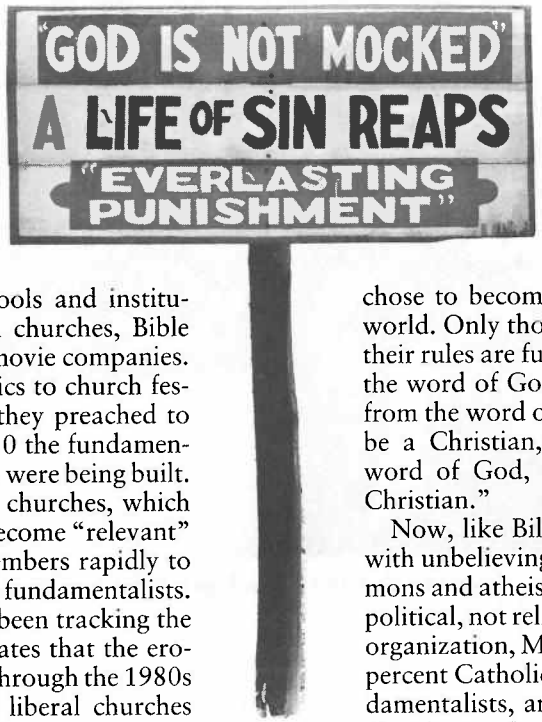
Mr. Falwell preached for an hour and a half, sprinkling his talk with anecdotes. The audience hung on his words; I imagine Mr. Falwell was for them what Milton Friedman would be to a small group of neophyte monetarists: an electric presence. Mr. Falwell berated the "freezeniks" and said porn publishers should be stopped, but mostly he spoke about the local churches—"Bible-believing, God-fearing, soul-winning churches," he calls them—and how he believed it was the church that would turn America around. Echoing the zeal of old fundamentalists, Mr. Falwell called for "relentless" evangelism, but he also preached "vigilance in the local community" (read: political activism); his audience did not realize that even at Baptist Bible Temple, Mr. Falwell was subtly but surely redefining fundamentalism—he would say "giving fundamentalism its proper definition."

There is a major split coming in American fundamentalism, and Jerry Falwell and Bob Jones (the evangelist whose university was involved in a fracas with the Internal Revenue Service over tax exemption) will be leading rival factions. Bob Jones, who has no doctrinal disagreements with Mr. Falwell, stunned the evangelical-fundamentalist community recently when he called Mr. Falwell "the most dangerous man in America." Liberals cheered confusedly; it was what they had been saying. In August 1983 the World Congress on Fundamentalism, meeting at Bob Jones University, voted to condemn Mr. Falwell and Moral Majority for compromising the faith by engaging in political action; Mr. Jones sponsored the resolution. Pretty soon the fundamentalist groups—Baptist Bible Fellowship, World Baptist Fellowship, Independent Fundamental Churches of America, Grace Brethren, Southwide Baptist Fellowship, Orthodox Presbyterian Church—will have to take sides and go either Mr. Falwell's way or Mr. Jones's way. (They are currently in limbo, resisting such a choice.) These groups represent the 110,000 fundamentalist churches in this country, with perhaps 20 million members. Fundamentalist schools—Baptist Bible College, Tennessee Temple University, Cedarville College, Moody Bible Institute—will also have to take direction from either Mr. Falwell or Mr. Jones.

Why the split? And what does it imply for the fundamentalists and for the rest of us? It is necessary to look to history for explanations. Fundamentalism developed in this country in resistance to theological liberalism. The fundamentalists rallied around the five "essentials of the faith": acceptance of the inspiration and infallibility of Scripture; belief in the deity of Christ, including the virginity of his mother Mary; acknowledgment that Christ died for the sins of men; belief in the literal resurrection of Christ from the dead; and belief in the literal return of Christ in the Second Advent. Liberals, meanwhile, wanted to accommodate scriptural teaching to the insights of modern science and sociology. Battles between fundamentalists and liberals grew increasingly frenzied in the late 19th and early 20th century and came

to a conclusion at the 1925 Scopes trial at Dayton, Tennessee, where the fundamentalists had their Waterloo.

The Scopes trial was the great defeat of American fundamentalism. "Set in a one-horse Tennessee village," as H. L. Mencken put it, the trial vindicated Darwinism before the American public. John Thomas Scopes, the young teacher who espoused evolution, was found guilty and fined $100 by the jury, but the scathing cross-examination of William Jennings Bryan by Clarence Darrow exposed Bryan, and fundamentalism, as narrow and dogmatic. Reporters covered the trial as a battle between backwoods preachers and city sophisticates, between ignorance and knowledge, between Southern myths and scientific laws. Fundamentalists interpreted Scopes as science versus Scripture, darkness versus light, barbarism versus Western civilization. The stakes were high, as you can see, and when Darrow made a monkey out of Bryan on the witness stand, it was all over. Fundamentalists hung their heads and withdrew from mainstream America; gleeful reporters like Mencken threw stones.



The period from 1925 to 1950 was one of recuperation for fundamentalists, who did not, contrary to the popular view, disappear. They were purged from the schools and institutions, but they set up their own churches, Bible institutes, newspapers, and even movie companies. They switched from bitter polemics to church festivities and fervent hymns. And they preached to anyone who would listen. By 1950 the fundamentalist churches were full, and more were being built. It was terribly ironic: The liberal churches, which were casting aside orthodoxy to become "relevant" to modern needs, were losing members rapidly to the "antiquated," "unbending" fundamentalists. Pollster George Gallup, who has been tracking the decline of liberal churches, estimates that the erosion is so deep that if it continues through the 1980s at present rates, many mainline liberal churches will vanish altogether.

In the 1950s two prominent fundamentalists, Billy James Hargis and Carl McIntyre, urged Christians to political activism. They had mixed success. Some fundamentalists, confident with newfound growth and prosperity, plunged into politics and engaged in vigorous anticommunist activity, several of them supporting Senator Joe McCarthy. But most fundamentalists demurred: Their notion of being separate from the world retained its literal potency. They saw politics as the art of compromise. They also interpreted political actions in the context of millenialism—the notion that the end of the world is imminent, and Christ is coming soon. They reasoned, "If Christ is returning shortly, we should get about the business of saving souls and not worry about ephemeral politics."

Jerry Falwell is a "progressive" fundamentalist, although he would cringe at the characterization. He is taking up where Hargis and McIntyre left off, with a great deal more success. Mr. Falwell feels that Bob Jones is leading the "lunatic fringe" of fundamentalism on a "suicide course." Mr. Falwell disputes Mr. Jones's reading of "separatism." He himself is a separatist but interprets that narrowly; he says it means one should not adopt the values of this world: secularism, hedonism, and so on. Separatism most definitely does not mean withdrawal from the world, he says. "The Bible teaches that we should be the salt of the earth," he told me. "Salt is a preservative. It keeps meat from going bad. So Christians must be a force for good, for preservation, of the world." He quotes Burke: "All that is necessary for evil to triumph is for good men to do nothing." Mr. Falwell deplores the unforgiving aspect and the legalism of the "ultrafundamentalists." He cites the draconian rules at Bob Jones University: close-cropped hair, no beards, strict dress codes, no listening to the radio, no watching TV or movies, no smoking or drinking, no bad words, no mixing with Catholics or Jews, no interracial dating. Mr. Falwell says, "There is that segment of fundamentalism headed by Bob Jones and a few lesser lights that way back chose to become the only bastion of truth in the world. Only those who salute their flag and live by their rules are fundamentalists. They have added to the word of God. So today the liberals take away from the word of God, so that almost anybody can be a Christian, and fundamentalists add to the word of God, so that almost nobody can be a Christian."

Now, like Billy Graham, Mr. Falwell associates with unbelieving pastors, even with Jews and Mormons and atheists. But, he insists, such alliances are political, not religious. Moral Majority is a political organization, Mr. Falwell says. It is composed of 30 percent Catholics, 20 percent evangelicals and fundamentalists, and the rest a montage of conservative Jews, Mormons, and secular moralists who agree with Moral Majority's four stands: prolife, which means opposition to abortion and euthanasia; promoral, which means fighting pornography and the illegal drug traffic; profamily ("One man for one woman in one lifetime," in Mr. Falwell's words), and pro-American, which means support for a strong national defense, and curiously, support for Israel and Jewish people everywhere. Mr. Falwell makes a distinction in his mind between his role as pastor of Thomas Road Church, a fundamentalist church, and his position as head of Moral Majority, a political organization. But he does not always act consistently with that: He sometimes preaches political sermons in church, and early Moral Majority letters quoted extensively from the Bible.

After Mr. Falwell's talk at Baptist Bible Temple, he and I were whisked off to Pastor Zimmerman's house, where assorted church members and officials joined us. We sat

around a mahogany table and ate fried chicken and duck, made our own salads, and poured our own Tab and coffee. People came up to Mr. Falwell and told him what a fantastic job he was doing, how they couldn't believe he took the abuse he did, that they were behind him 100 percent and just wanted him to know it. Mr. Falwell and Mr. Zimmerman also remembered old times in Dallas; Mr. Falwell was accused of driving at 90 miles an hour and taking the steering wheel off his car. This he denied, although coyly.

Then Mr. Falwell got a phone call from Lynchburg. He was informed that his pilot's son had been injured in an accident. Nothing serious, but the man should know. The boy had suffered bruises and was in the hospital. I wondered whether it was such a good idea to tell the pilot just before we embarked on our return trip. Mr. Falwell seemed shaken by the incident. He called the hospital. He called his wife to ask her to get information from the pilot's wife, and call him back, which she did. He took a last bite of his chicken and said we would have to leave at once.

On the way out I asked him why all the excitement. He said his kid Jonathan had broken several bones—"about one a year"—and he knew as a father what it felt like. But the pilot took the news rather well. In fact, he spent a full 10 minutes telling us about similar exploits of his, and I got the idea that he was even more proud of his kid after this—a real chip off the old block and that sort of thing. We were back in the air and on our way back to Lynchburg. Mr. Falwell prayed for a safe journey; I folded my hands and watched him. When he was finished, he took off his jacket, rolled up his sleeves, and said, "Okay, Dinesh, get your tape recorder out, and let me tell you why I am not a racist."

For the Family

Millions of Americans Have Been Engaging in Child Sacrifice

Midge Decter

We Americans have many public disagreements, but privately it can be said that we are nowadays firmly bound together by a common unease. Something is going wrong with the constitution of our individual lives. Women, for instance, are noisily embattled, while men smoulder in resentful silence. Drugs and alcoholism, untouched by years of effort to control them, remain at the top of the list of social menaces. Despite the wide availability of effective means of contraception, in some American cities abortions outnumber live births. A new psychotherapy or mood-altering chemical gets produced, as it seems, every minute. And, of course, there are all those divorces, all those lonely and self-seeking men and women hopping from marriage to marriage in search of what they cannot say, all those children abandoned by their fathers, and even, nowadays, abandoned by their mothers. We are forced to ask ourselves a question so vast and general as, what is going on with us? How is it that a people blessed by God, or if you will fate, with better health, longer lives, greater comfort and personal freedom and economic well-being than any previous peoples in history, should give so much evidence of deep trouble?

Neither I nor anyone else can presume to answer this question in full. But I would, in the briefest way, like to suggest an area in which we might begin to find some understanding.

For a generation now, millions upon millions of Americans—I will not say all—have been engaging in child sacrifice. Less bloodily, perhaps, but no less obediently than certain ancient groups of idol worshippers, we have been offering up our children on the altar of a pitiless god. Nor do I mean this as a flowery metaphor. In our case, the idol to whom we have sacrificed our young is not made of wood or gold but of an idea. This idea, very crudely put, is that we are living in an altogether new world with not yet fully understood new moral rules. As inhabitants of this supposedly newly ordered world, we tell ourselves, we have no right to cling to or impose on others outmoded standards of behavior. On the contrary, everyone has a right, even an obligation, to make up his own rules—and with these rules, to make up his own preferred mode of living. This idea is no mere abstract proposition with us; we have translated it, socially, religiously, politically, and juridically, into the stuff of our everyday existence. And we have, as I said, literally sacrificed our children to it.

Not so very long ago a whole generation of this country's middle-class children rose up in late adolescence and said they could see no reason to prepare themselves to take on the burdens of adult life: to serve their country, for instance, or educate themselves, or make a living. They left school, they ran away, they drugged themselves; in milder cases, they just kind of hung around, growing pale, unkempt, unhealthy, and truculent. And untold numbers of them committed suicide. Again, I do not speak metaphorically. In 10 years the suicide rate of those from 18 to 25 increased by 25 percent. How did we respond to this, we elders—we parents, teachers, clergymen, journalists, civic leaders, and yes, legislators? We applauded them. We said they were the best generation ever seen, they were great idealists, far superior to ourselves. We said they had discovered a new way to live. In short, we abandoned them. Just as surely as if we had with our own hands bared their necks to the ritual knife, we sacrificed them on the altar of our own moral irresponsibility. Those who managed to save themselves did so with no help from any of the authorities in their lives, neither parental, religious, nor intellectual. For none of these authorities would tell them what they needed to know: that life is real and weighty and consequential; that life is good, and only good when it *is* real and weighty and consequential; that it requires discipline and courage and the assumption of responsibility for oneself and others, and that it repays, and *only* repays discipline and courage and the assumption of responsibility for oneself and others.

Why did mothers and fathers, teachers and ministers, lawgivers and judges, why did all the figures on whom children depend to teach them how to live a decent and rewarding life refuse to tell them what they needed to

MIDGE DECTER *is the executive director of the Committee for a Free World.*

know? Because they themselves had not the courage of any convictions. How many parents sent—still send—their adolescent children off, unaided and morally and psychically unprotected, into the treacherous ocean of sex simply because they have not the courage to say what they truly believe: that sex in childhood is a dangerous and debilitating and life-denying force? As a society, we do not even any longer have the moral courage to cast out in horror—a horror we all feel—the child pornographer, the pedophile, the committer of incest. We hem and haw and let the courts decide, which they usually do on the basis of fine points of legal procedure.

Does the First Amendment protect the exploiters of 7- and 8-year-old boys for pornographic films? Is that really one of the constitutional rights that have made this country a glory of freedom?

The truth is, we have lost the collective ability to make the simplest moral assertions. And if we have lost it collectively, we are surely in the process of losing it individually as well. For people precisely cannot make up their own lives. They are constituted to be members of communities. They cannot live themselves and cannot bring up their children, not for long, by a standard that finds no confirmation in the surrounding community. An individual's inner resolve, when it must be engaged every day in a battle against the surrounding moral atmosphere, begins to erode and crack. A community that does not love virtue—yes, I will dare to use so archaic a word—takes an unimaginable toll on the virtuous. Instead of rewarding, it punishes them. Out of historic error, out of sloth, out of cowardice, out of lack of collective will, we are permitting ourselves to become a society that punishes the virtuous. That punishment is every day being incorporated into the laws of the land, written and unwritten.

It is the family—the greatest tribute to and the most brilliant invention of the human moral capacity—that has lately taken the greatest punishment of all. For one thing, we pretend no longer to be sure what *is* a family. We debate publicly, as we did even at a White House conference not many years back: Is a family the same thing as a household? Is it two lesbians? Is it a man and a woman sharing the same roof out of wedlock? Why not? Are we not, after all, free as people living in a new order to make up our own definitions? In attempting to erase its uniqueness as an institution, we remove from the family the community affirmation that is the absolutely essential ingredient to its strength as an institution. It was claimed, and our policy makers concurred, that society engaged in unfair discrimination against those who chose (I believe the fashionable word is "opted") not to live in traditional families. But such discrimination, in everything from tax policy to public speech, is precisely the means by which a society makes known its standards and values. Why should a society that professes to believe in the family *not* discriminate in its favor? Even to have to speak of "belief" in the family, as if it were an alternative among many, is a sign of our pathology. Indeed, by turning the family into a merely voluntary, optional relationship, we have ironically increased its capacity to make its members unhappy. Thus our divorce rate.

The family, as I have said, is a brilliant moral invention. It teaches us that life is not lived alone. To be a parent is to discover, sometimes with considerable surprise, that there are lives more valuable to one than one's own. To be a child of parents is to experience two indispensably humanizing things. The first of these is that no matter who or what one turns out to be, there are two people, *one of each sex,* to whom one's existence is and will ever remain of overriding importance. The second is to incorporate into one's being the knowledge that human life, as opposed to animal existence, is a system of mutual obligations and dependencies.

To get beyond self is the only possibility for happiness, just as to understand obligation is the only possibility for genuine individual freedom. That may, as little children are wont to say, be "no fair," but it is the truth. Thus the family—as everyone knows, no matter how many revolutions of consciousness and being he claims have taken place—is a mother and a father and their children. And thus, too, the family is one of society's first priorities.

I do not pretend to have any simple answer as to how we can get ourselves out of our present moral morass. But I do know that it will be necessary for us to begin to talk to one another from the heart instead of out of a lot of junky and morally impertinent fashionable ideas. And I do know that it will be necessary for us as a society, without fear for the trendy opinion of mankind, forcefully and vocally to discriminate in favor of what we all, deep down, still long to believe is good and valuable and right.

Middle East Fantasies

Penalizing Our Allies Is No Way to Make Peace

Oscar Handlin

The recent tragedies in Lebanon came after a year of well-meaning but naive American efforts to bring peace to the Middle East. President Reagan's September 1982 proposal for Palestinian self-government on the West Bank was rejected immediately by Israel and afterward by the Palestine Liberation Organization and by Jordan. His efforts in 1983 to remove all foreign troops from Lebanon were similarly in vain. When U.S. pressure upon Israel and Lebanon finally elicited a withdrawal agreement after extended and elaborate negotiations, the Syrians refused the enticement of peace. All those months of debate were wasted. By then, the American peace-keeping force in Beirut had begun to suffer casualties, and the United States was urging Israel to slow its withdrawal.

These failures were predictable, because the U.S. peace initiatives were based on wishful fantasies. The central premise of Mr. Reagan's proposals was that moderate Arabs, and perhaps even Syria's President Hafez al-Assad, would be willing to engage in negotiations if only Israel would demonstrate some flexibility. It was assumed that the Lebanese, Palestinians, Jordanians, and Saudis could not be flexible at the outset: Though moderate in the privacy of their hearts, they had to refrain from conciliatory gestures out of fear of the extremists. So all pressure for concessions was placed on Israel. After yielding Sinai and its oil to Egypt, Israel was to abandon also its claim to East Jerusalem, Judea, and Samaria.

In short, the United States expected of its friends a level of accommodation it did not expect of its enemies. Instead of penalizing its opponents and rewarding its supporters, it tried to win over the former at the expense of the latter. This strategy did not work with Sikorski of Poland, whose government in exile never got the free elections promised it at Yalta. It did not work with Thieu, who never got the North Vietnamese withdrawal promised in the Paris peace talks. It could hardly be expected to work with Menachem Begin.

In the zeal for pushing the peace process along those channels, there was a disposition not to remember how the fighting between Israel and Syria in Lebanon had started. All those months Ambassador Philip Habib had shuttled about the capitals in an effort to hasten withdrawal had once had quite another purpose. His original mission had been to persuade the Syrians to remove the surface-to-air missiles (SAMs) they had installed in Lebanon in contravention of an earlier agreement. In 1983 that issue no longer seemed worth discussion; the Syrians had by then put into place newer, superior SAMs, manned by Soviet personnel, without protest or overt concern that they impeded the peace process. Withdrawal had become the issue, and Secretary of State George Shultz continued to exude reassurance until Ambassador Habib's patience finally earned its reward and Damascus declared him persona non grata, refusing even to talk further with him. A new emissary then assumed his place.

Misread History

During those setbacks, American diplomats were presumably inspired by the Camp David agreements. Egypt had been Israel's most implacable enemy, but after years of U.S. shuttle diplomacy, as well as territorial concessions wrung from Israel in the Sinai, President Anwar el-Sadat finally agreed to make peace. Could not the same hope be held out for Syria's Assad? But it was a misreading of history to suppose that Sadat's willingness to negotiate resulted from the genius of U.S. diplomacy. Instead, it was a fortuitous by-product of what could have been a diplomatic disaster.

General Sadat came up through the ranks of a conventional military career. Imprisoned by the British as a Nazi spy in 1942, he became a friend and follower of Gamal Abdul Nasser, whom he succeeded in 1970 as head of state. Sadat long followed the same bellicose line as his predecessor, and on Yom Kippur in 1973, in concert with Syria, he launched a treacherous and almost successful attack upon Israel.

OSCAR HANDLIN *is director of the Harvard University Library and the Carl Pforzheimer professor of history at the university. His books include* Chance or Destiny, Fire-Bell in the Night, The Americans, Truth in History, *and* The Uprooted. *His most recent book is* The Distortion of America.

THE WEATHER Full Report on Page A-2
WASHINGTON—Chance of thundershowers this afternoon. Low 72 tonight. Hot tomorrow.
REHOBOTH-OCEAN CITY—Partly cloudy with scattered thundershowers tomorrow, high 87-90.
NAGS HEAD-VA. BEACH—Scattered late afternoon thundershowers tomorrow, high 87-92.
CHESAPEAKE BAY—Showers tomorrow afternoon, high 90-92. Wind S.W., 15-20 m.p.h.

The Evening Star

WITH SUNDAY MORNING EDITION

Metropolitan Edition

New York Markets, Page A-17

106th Year. No. 196. Phone ST. 3-5000 ** WASHINGTON, D. C., TUESDAY, JULY 15, 1958—42 PAGES Home Delivered: Daily and Sunday [illegible] 5 CENTS

5,000 Marines Land in Lebanon

Goldfine Loses Plea for Probe To End Now

Harris Bans Plan To Let U. S. Court Rule on Relevancy

By CECIL HOLLAND and ROBERT K. WALSH
Star Staff Writers

House investigators today rejected a suggestion to adjourn the Bernard Goldfine hearings "forthwith" until a United States District Court here could decide whether the Boston industrialist must answer disputed questions.

The request was made by Mr. Goldfine as he testified for the sixth day before the House Legislative Oversight Subcommittee under a threat of contempt for refusing to answer questions involving financial affairs of his New England companies.

In turning down the Goldfine proposal for a court move, Subcommittee Chairman Harris, Democrat of Arkansas, called a closed session later this afternoon and directed Mr. Goldfine and his attorneys to be present.

Plea Called Unreasonable

The proposal to adjourn was refused by Chairman Harris mainly on the ground that it was not "reasonable." He told Mr. Goldfine that the request, if granted, would amount to "abrogating the responsibilities" of the subcommittee.

There seemed to be little likelihood that the subcommittee in executive session this afternoon would reverse that position. Practically every member took issue with a five-page statement read by Mr. Goldfine at the start of today's hearing. Besides requesting the adjournment the statement asserted that the questions Mr. Goldfine has refused to answer were not relevant to the scope of the subcommittee's investigation of possible undue interference with Federal regulatory agencies.

The newest Goldfine proposal came in a formal statement which one of his lawyers, Samuel P. Sears, sought to read as soon as the 67-year-old Boston industrialist returned for a sixth round before the subcommittee investigating his relationship with Presidential Assistant Sherman Adams and possible improper influence on Federal regulatory agencies.

Stands by Refusal

The statement, which Mr. Goldfine himself was permitted to read to the subcommittee, made clear that he has not budged from his earlier refusal to reply to numerous questions about financial operations of his New England companies.

"We have concluded," it declared, "that Mr. Goldfine properly declined to answer certain of the questions propounded to him by the subcommittee and its counsel and we see no reason either for him to change his position or us to modify our position."

Although members of the subcommittee differed among themselves on allowing Mr. Goldfine to read the statement obviously drafted by his lawyers, the witness finally was allowed to do so on condition that he revise the wording to make it appear he was speaking in the first person.

Besides suggesting that the hearings be adjourned so that Goldfine lawyers could ask the court for a prompt ruling on the relevancy of questions asked by the subcommittee, the statement contended that the questions asked thus far go beyond the scope of the subcommittee. It asserted that the questions are "intended solely for the purpose

Continued on Page A-5, Col. 1

Federal Pay Reforms Asked by Eisenhower

Congress Urged to Set Up Board To Study 'Patchwork' Systems

President Eisenhower asked Congress today to set up a commission to study "patchwork" pay systems in all three branches of the Federal Government.

In a special message, he proposed establishment of a 15-member Joint Commission on the Civilian Employe Compensation Policy of the Federal Government.

The commission would report by January 1, 1960, with recommendations on "creating a sound, basic compensation structure," including criteria for future adjustments in pay.

Membership of the commission would include three individuals appointed by the President from the Executive Branch, three appointed by the President to represent the public, four Senators appointed by the President of the Senate, four Representatives named by the Speaker of the House and the chairman appointed by the President.

77 Different Plans

"The Federal Government has no comprehensive, uniform pay policy," Mr. Eisenhower told Congress. Backing up his complaint that the pay system is a "patchwork," he said there are at least 77 different pay plans in the Executive Branch and estimated more than 300 different laws relate to Federal compensation.

Periodic revisions of the salary schedule, granting of exemptions and development of new categories "have all resulted in a variety of pay systems, a lack of sound relationships among the salaries of various groups and a failure to provide equitable treatment for all Federal employes," the President said.

"A salary system should be compatible with sound business practice, justifiable in cost and should insure equitable pay relationships among all employes," Mr. Eisenhower said, adding that the Federal pay policy "falls short of these criteria."

He noted that "it has become more and more difficult for the Federal Government to recruit and retain competent employes because its salary scales often have not remained competitive."

Inequity Mentioned

He objected especially to depending entirely on Congress for pay adjustments, indicating that he favors enactment of broad standards which would govern future pay raises without legislation.

Illustrating his complaint that Federal pay is treated in a "piecemeal" manner, the President said blue collar workers have received larger percentage pay raises than white collar employes, with the result that some supervisors receive lower pay than their subordinates.

He expressed dissatisfaction with lack of provisions in special pay laws to take care of scientists and other hard-to-recruit categories.

Rigidity in the pay of top Government officials "has resulted in a gradual but progressive distortion" of salary structures, he said.

Helter-skelter treatment of Federal pay "has put an excessive demand on the time of the Congress and has subjected it to a variety of pressures," Mr. Eisenhower observed.

He recalled that many stud-

See PAY, Page A-2

U. S. Troops Go Ashore at Beirut After Chamoun Calls for Help

Crowds Flock To Beach, Wave Greeting

BEIRUT, Lebanon, July 15 (AP).—The vanguard of 5,000 United States Leathernecks ordered here by President Eisenhower went ashore today from the 6th Fleet, little more than 24 hours after a pro-Nasser revolt had overthrown the government of Iraq.

The first Marines landed from 19 landing craft at Khalde beach just south of this revolt-torn capital. They came ashore from seven small warships that appeared offshore.

The Marines marched off to Beirut's airport, which had been closed a few hours earlier, perhaps, for the landing of troop carriers.

United States Ambassador Robert McClintock urged the 2,500 Americans in Lebanon to leave the country. Ten United States Embassy families left today, including the wife and son of the Ambassador.

People Flock to Beach

As ships of the United States 6th Fleet appeared on the horizon about 1:45 p.m. Lebanese began flocking to the beach by car and even on horseback from nearby villages to watch.

People swam and sunbathed nearby while the landing took place.

The faces of the Lebanese showed their excitement, but on the whole they took the activity calmly.

Some waved in greeting.

Workers at construction sites along the beach road leading to the landing area dropped their tools and rushed to get a closer look.

The Marines belonged to the 2d Battalion of the 2d Marines.

An entire battalion was landed. By 3:15 p.m. the landing was completed. Non-commissioned officers reported that the airport had been occupied.

The commander of the operation was Lt. Col. Harry Hadd of St. Paul, Minn.

Asked where his unit had come from, he grinned and pointed to the ships in the harbor.

"From out there," he said.

No Liaison Instructions

He said he had no instructions regarding liaison with the Lebanese Army.

A Lebanese civil aviation authority representative walked across the sands to Col. Hadd and explained that all traffic had been stopped at Beirut airport.

He asked when the airlines could expect to resume operations. Col. Hadd replied he would have to seek instructions from higher authority.

Around 2 p.m. three carrier-based aircraft were seen flying toward the airfield. Two reconnaissance planes flew high overhead.

After all these troops were ashore and deployed in the direction of the airport, landing craft continued to bring equipment ashore.

Antitank Guns Unloaded

Along with jeeps, ammunition and guns, several antitank guns mounted in caterpillar tracks were rolled on to the beach.

The Lebanese waiting on the beach at the beginning mingled freely with the Marines.

One group of Lebanese boys picked up a tow rope and helped pull a jeep out of the surf onto the beach.

Later the Marines slowly began clearing the beach of civilians.

The Americans were in drab battle dress, wearing green and yellow camouflaged helmets.

As a landing craft unloaded at the beaches, one Marine was heard to swear and grumble: "All my smokes got wet in that landing."

Another Marine looked up at the beautiful Lebanon mountains beyond the airport and remarked: "This is a wonderful country, but they tell me they're trying to wreck it."

The United States and British embassies urged their citizens to stay off the streets.

Ten American embassy families left Beirut Tuesday, including the wife and son of ambassador Robert McClintock, an Embassy spokesman said.

Another 25 to 30 families of American embassy personnel have asked for travel orders.

MARINES ARE LANDING—Marines of the 6th Fleet ride the sides of a tank as it splashes into the water from a landing craft during maneuvers last month at Dikili, Turkey. Today 6th Fleet Marines landed in Lebanon.—AP Wirephoto.

Operations Revealed at White House

By GARNETT D. HORNER
Star Staff Writer

President Eisenhower sent more than 5,000 United States Marines into revolt-torn Lebanon today.

The President said the Marines were moving into the

Text of President's Statement Page A-8

Holloway to Command Mideast Landing Force. Page A-8

Middle East hot spot to protect American lives and to "encourage" the pro-Western Lebanese Government in its fight against a nine-weeks-old rebellion.

"These forces have not been sent as any act of war," Mr. Eisenhower emphasized.

But it was clear that the Marine landings near Beirut committed the United States to its most war-like action since the Korean War that began eight years ago.

Silent on Combat

White House Press Secretary James C. Hagerty dodged as "hypothetical" all questions about whether the American Marines were under orders to join loyal Lebanese forces in fighting against the rebels allegedly supported by Egypt and Syria.

The United States forces moved into Lebanon in response to an "urgent plea" from Lebanese President Chamoun for such action "to help maintain security and to evidence the concern of the United States for the integrity and independence of Lebanon."

Asked if the Marines were expected to become involved in actual fighting, Mr. Hagerty said: "The President of Lebanon asked for assistance and that assistance is being given."

In Contact With Leaders

But he refused to answer when pressed to say whether helping to maintain security meant open clashes with the rebels.

In a news conference, Mr. Hagerty said the White House had received no reports of any resistance to the Marine landings. He explained that the President was in "very close contact" with the American commanders in the area.

Gen. Nathan F. Twining, chairman of the Joint Chiefs of Staff, went to the White House about 11:30 a.m. for a conference with the President. Mr. Hagerty told reporters nothing would be said publicly about the conference.

The President also scheduled

See TROOPS, Page A-8

Virginia Primary Race Draws Only Light Vote

Northern Virginia Democrats went to the polls today—but not very many of them—to select a congressional nominee.

Poll workers in Arlington, Alexandria, Fairfax and Falls Church said the turnout this morning was one of the lightest they had ever seen. Polls will close at 7 p.m.

Picture on Page B-2

In Arlington, even a controversial referendum on the method of electing county board candidates was drawing few voters.

Four candidates are running for the chance to oppose Republican Representative Broyhill in November.

Candidate Joseph H. Freehill showed up early at Fort Buffalo Precinct to cast his vote. He brought along his son, Joseph, jr., who was voting for the first time since he became 21.

Rolfs at Belvedere

Another contender, Henry J. Rolfs appeared about 7:30 a.m. in his "Victorymobile" trailer at Belvedere School in Fairfax County to cast his ballot.

Chandler Lapsley, touring Alexandria polls in an attempt to drum up votes for himself, took a look at the list at George Washington High School where 17 votes had been cast by 8:30 a.m. and laughingly described it as "a fine expression of public interest."

Mrs. Ruby Hanowell of Arlington is the other candidate. Workers for her were reported at several of the polls in Arlington.

A check of Arlington polls showed that few voters were coming out for either the primary or the referendum.

Big Turnout Expected

The proposal to change the timing of Arlington County Board elections had been expected to increase the turnout there considerably. The plan would provide for electing board members every two years instead of each year as at present.

Voters in Arlington had a choice of voting only on the referendum question or voting for congressional candidates and the referendum at the same time.

Voters in the 1st district also were nominating a congressional candidate today. Representative Robeson, 67, of Newport News, is opposed by Thomas M. Downing, a 33-year-old lawyer who has the backing of the Democratic organization. Mr. Robeson lost the organization support when he nearly was defeated two years ago by a Republican.

Foreign Policy Study Ordered

Senate Committee Also Calls Dulles

By J. A. O'LEARY
Star Staff Writer

The Senate Foreign Relations Committee today authorized a broad study of American foreign policy throughout the world, and asked the Senate for $300,000 for expenses.

At the same meeting, the committee asked Secretary of State Dulles to come before it at his earliest convenience to review the current crisis in the Middle East.

Although two top-ranking Democrats on the committee—Chairman Green and Senator Sparkman—indicated approval of the troop landing in Lebanon, it is understood there was considerable discussion of that development in the closed meeting.

Senator Green told reporters it was that discussion which led to the invitation to Mr. Dulles. Asked what the consensus of the discussion was, Senator Green replied:

"We wished to know more about it."

Fulbright Looks Forward

Senator Fulbright, Democrat of Arkansas, who suggested the broad study of foreign policy, emphasized that it is not his purpose to dwell on what may have been wrong in the past but to put emphasis "on what ought to be done in the future."

He also stressed the fact that it is to be a long-term study, not intended to advise the ad-

See CONGRESS, Page A-8

Reds Hit 'Intervention,' Demand U. S. Withdraw

Envoy Warns Russia Can't Remain 'Indifferent' to Troops in Lebanon

By EARL H. VOSS
Star Staff Writer

UNITED NATIONS, N. Y., July 15.—The Soviet Union today charged the United States with "gross intervention in the domestic affairs" of Lebanon and introduced a resolution in the United Nations Security Council calling on the United States to withdraw "forthwith" its troops.

Soviet Ambassador Arkady A. Sobolev introduced his resolution about an hour after United States Ambassador Henry Cabot Lodge informed the Security Council that United States Marines and economic assistance are being sent to the aid of the Lebanese Government.

The Soviet Ambassador warned that the Soviet Union cannot remain indifferent to intervention" whatever the "cover" of that intervention. He said it is the duty of all members of the United Nations to "do their best to put an end to aggression" in the Middle East area.

Ambassador Lodge told the council that United States had "responded positively and affirmatively" to the request from President Camille Chamoun of Lebanon for help in preserving the tiny nation's integrity and independence.

Cites President's Stand

Mr. Lodge emphasized, as President Eisenhower had from the White House a few hours earlier, that "our forces are not there to engage in hostilities of any kind—much less to fight a war."

They are to stay in Lebanon, the Ambassador said, only "until such time as the United Nations can take the steps necessary to protect the independence and political integrity of Lebanon."

"We are the first to admit,"

See U. N., Page A-6

BULLETINS

2 U. S. Businessmen Feared Slain by Mob

Two American businessmen have been reported killed by mob action in Baghdad, capital of Iraq, the State Department said today. It reported some Western Europeans possibly also were killed.

Racial Motion Studied

RICHMOND (AP).—Federal District Judge Sterling Hutcheson today took under advisement a motion by defendants in the Prince Edward County segregation case to defer ordering a start for desegregation of schools until a study of conditions in the county can be made.

Mistakes on Job Forms Honest, Flanagan Says

By JOSEPH YOUNG
Star Staff Writer

Bernard Flanagan today readily admitted making incorrect statements on his Government application forms in applying for previous Federal employment.

But the 39-year-old Vermont Republican told the Senate Civil Service Committee they were honest mistakes and were not intended to deceive the Government.

Mr. Flanagan was subjected to a searching cross-examination as the Senate group started hearings on his nomination to be the associate Republican member of the Civil Service Commission. Mr. Flanagan has been serving an interim appointment since his nomination by President Eisenhower last January.

No Prepared Statement

Mr. Flanagan ran into trouble at the outset of the hearing, when he told the group he had no prepared statement but would be glad to answer all committee questions.

Senator Jenner, Republican of Indiana, demanded to know why the nominee was not prepared to issue a statement denouncing newspaper stories about the case as lies.

"If anyone wrote that about me, I would want to set the record straight," Senator Jenner said.

Mr. Flanagan said he preferred to answer each accusation as the committee brought it up.

Under the questioning of Senator Church, Democrat of Idaho, Mr. Flanagan acknowledged that on his Government application Form 57 in 1951, when he applied for an agent's job with the Office of Price Stabilization, he claimed a bachelor of arts degree from Norwich University in Vermont.

Furthermore, the nominee acknowledged he had not com-

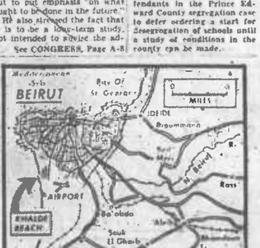
See FLANAGAN, Page A-4

Typhoon Kills 9 In Philippines, Nears Formosa

TAIPEI, Formosa, July 15 (AP).—Typhoon Winnie bore down on Formosa today with 172-mile-an-hour winds and heavy rains that killed at least nine persons in the Philippines.

The storm was expected to hit the east coast of the Nationalist Chinese island tonight, lose some of its fury in the eastern mountains and then rake across the fertile western plain and Taipei before crossing the Formosa Strait to Red China.

The 120-mile-wide typhoon seriously damaged crops in the Philippines, where eight fishermen were reported missing. Two-thirds of Manila was covered by rain water from ankle to shoulder depth and rain continued to fall in Northern Luzon.



LANDING BEACH—Map locates Khadle beach, between the city of Beirut and its airport to the south, where United States Marines went ashore today.—AP Wirephoto Map.

Auto Workers Voting

DETROIT, July 15 (AP).—The United Auto Workers' big local at Ford's River Rouge plant begins voting today on whether it is willing to authorize strike action if necessary in the union's labor contract talks. Balloting among the 35,000 members in 17 units at the plant will take all week.

Oil Stocks Drop In Active Trading

NEW YORK, July 15 (AP).—Stocks of oil companies with interests in the Middle East fell $1 to about $3 a share on the New York Stock Exchange today.

Trading was active shortly after the market opened, forcing the ticker behind floor transactions. The market's decline was not as steep as yesterday, and here and there some stocks scored small gains.

Oil shares also skidded in London and Paris.

On the New York Exchange, Gulf Oil in the early afternoon was down $3.25, Royal Dutch $1.25, Standard Oil of New Jersey $1.50, Texas Co. $1 and Socony $1.50.

American Telephone & Telegraph lost 87 cents and Du Pont $1.12. But United States Steel gained 25 cents, Lorillard 50 cents and International Nickel $1.

POTOMAC PROVES ROUGH AND WET

A PAINFUL—and wet—experience by Outdoor Editor Charles Covell points up the need for constant vigilance in handling small craft in fast Potomac waters. Turn to Page A-21.

A PRECIOUS SAPPHIRE, a Hebrew manuscript and a jealous woman lead Holedjian to the solution of today's two-minute mystery. Readers can try their luck by turning to The Star's Feature Page, B-15.

"CHEMISE" IS VERBOTEN on New York's Seventh avenue, where no one even whispers the word. Star Fashion Editor Eleni reports on the latest from the garment kingdom on Page B-4.

Guide for Readers

His dramatic trip to Jerusalem four years later was the product not of a conversion to the cause of peace but of a new situation in which accommodation with Israel was the lesser evil of practical alternatives.

In January 1977 food riots in Cairo called attention to the desperate state of the economy and to the militant, often atheistic, leftists who were ready to exploit it. Repression with hundreds of jailings contained the immediate threat, but Sadat knew that it still simmered away. Then in July a militant Islamic group kidnapped and killed a former cabinet minister. More repression narrowed the base of Sadat's support and dramatized the need for substantial outside support; the United States was the probable source, since in July 1972, disappointed with the quality and the quantity of Soviet aid and concerned with possible subversion from the Left, Sadat had unceremoniously kicked the Russians out.

Reckless Policy

As internal difficulties mounted, the external bombshell exploded. On October 1, 1977, a joint statement by the United States and the Soviet Union called for the convocation of the Geneva Conference no later than December. The statement recognized the legitimate rights of the Palestinians, called for Israeli withdrawal from territories occupied in 1967, conceded nothing in return, and asserted that both great powers had a vital interest in the area. President Jimmy Carter thus recklessly offered the Russians a role in the Middle East on a parity with that of the United States and did so without consulting either Egypt or Israel. Sadat therefore saw no alternative to the disastrous line of American policy but rapprochement with Israel.

The ultimate illusion of the U.S. peace initiatives was the notion that Palestinian self-government on the West Bank would quiet the Middle East or address the problem of the Palestinian refugees. Were Israel to cease to exist, that would not bring peace closer in the least. For proof, one need look only a few hundred miles eastward to the Persian Gulf, where a bloody war erupts only intermittently into the consciousness of outsiders, so matter-of-course has it become.

Since the beginning of the twentieth century, with the dissolution of Ottoman hegemony, the region has been unstable. The states currently marked off on the map are creations of the Europeans who inherited Turkish authority but proved too weak to exercise it. Military force governs them all, for each is riven by family, tribal, clannish, local, and sectarian divisions. Fierce hatreds, centuries old, repeatedly boil over in slaughters to which heedless outsiders are inattentive. The massacre of 20,000 (or perhaps 25,000, who knows) Sunnis in Homs by the Alawites who rule Syria roused not a flicker of interest in the West.

Indulgence in reveries, whether of peace, of statehood, or of autonomy, diverts attention from a real problem that urgently calls for a solution—resettlement. Upwards of 600,000 Palestinians, perhaps as many as 3 million, are refugees or the children of refugees, some of them residents in camps, some dispersed in other countries. The numbers depend on the mode of counting and the polemical purpose they serve. These placeless people provide the breeding ground for terrorism, and their genuine grievances will continue to fester until they find new homes.

Every expression of refugee opinion reveals the same dream—a return to the homes in Jaffa or Haifa they or their parents abandoned 35 years ago. The characters in Arab fiction, the respondents to surveys, and people interviewed by journalists all give the same answer. They have no desire to move into what was de facto the West Bank of Jordan before 1967, nor do the residents of Hebron, Nablus, or Jericho show either the desire or the ability to accommodate the newcomers. The whole idea is a dream. The places the Palestinians left no longer exist, and the area in which any new state might appear is unwelcoming and lacks the economic base for their reception.

Indulgence in reveries, whether of peace, of statehood, or of autonomy, diverts attention from a real problem that urgently calls for a solution—resettlement. The placeless Palestinian refugees provide the breeding ground for terrorism.

After the First World War, without the distraction of illusions, the League of Nations presided over massive exchanges of population that successfully separated peoples who had been locked in conflict for centuries—millions of Greeks and Turks, for example. A rational approach to the present refugee problem could do the same. Indeed, many Palestinians have chosen that path as individuals. Some 300,000 of them have come to the United States; others now form 60 percent of the population of present-day Jordan; and still others have taken jobs in Saudi Arabia and Egypt. Many more could be accommodated where they would be welcomed and needed and where nuclei of settlement already exist—in North America, South America, and in the Arab countries.

Unfortunately, the issue is clouded by the illusion that the creation of another little state or "entity" would bring peace.

As this magazine went to press, peace was no closer in the Middle East than it had been a year earlier. The well-intentioned pursuit had drawn the United States into a situation it did not relish; a controversial detachment of peace-keeping Marines was confronted by hostile gunfire and the bloody carnage of terrorist attack.

November 1983

How to Win in El Salvador

With Training Programs and Basic Equipment the Salvadoran Army Can Keep the Guerrillas on the Run

Alvin H. Bernstein & Colonel John D. Waghelstein

No American combat presence is required in El Salvador to defeat the Marxist-Leninist insurgency there. The United States does not have to risk confrontation with any power beyond the Caribbean. It need not choose between the domestic dangers of a protracted war and the humiliation of cutting losses and deserting allies. The Salvadoran armed forces can handle the Farabundo Marti Liberation Front (FMLN) themselves. All they require from us is a supporting budget of about $100 million a year, which would be used for training programs and basic equipment—no fancy high-tech items required. They also need an understanding of their adversaries' vulnerabilities and a knowledge of the strategic principles of counterinsurgency warfare.

There are now between 6,000 and 8,000 guerrillas in El Salvador facing government security forces of some 40,000. Yet the outnumbered guerrilla force can create great problems by using the tried and proven tactics of revolutionary war. The guerrillas' strategy avoids confronting the larger armed forces of the host government and attacks the national economy instead. It assumes, correctly, that a poor country like El Salvador cannot sustain a long, debilitating internal war. By concentrating their limited forces and by using the intelligence system they established before the outbreak of hostilities, the guerrillas can initiate surprise attacks on public utilities and on supply and communications centers. They thereby manage to keep the bulk of the Salvadoran military tied down guarding those vulnerable targets that cannot go undefended. At the moment, 60 percent to 80 percent of all Salvadoran troops are occupied in defending such installations as power stations and dams against guerrilla demolition attacks. These attacks against the economy can be extremely effective and are devilishly difficult to prevent—as the events in Lebanon have made clear to Americans in particular. In El Salvador they are designed to make the current regime appear unstable and ineffectual so that the government loses the foreign aid and the private investments it so desperately needs. Should the army attempt to disperse its limited forces to meet the sporadic guerrilla sorties, it will risk becoming more vulnerable at all points.

The Salvadoran armed forces are only now just being prepared to deal effectively with the guerrilla tactics of counterinsurgency. They find themselves in a position similar to the one we occupied in the midsixties in Vietnam, where we were unable to force a Clausewitzian main battle against an enemy who, when confronted, would either melt into the jungle or retreat across a border. We must now help the Salvadorans learn from our mistakes so that they do not repeat them.

First, the Salvadoran soldier must learn the subtle art of locating his enemy's base camps. We can help him by monitoring with our satellites the arms shipments from the socialist bloc countries that make their way to Cuba and Nicaragua via ports in Indochina or Algeria. We can even reveal to them, to some extent, the land supply routes in Central America and their supply concentrations in El Salvador itself. To be successful in this enterprise, there must be on-the-spot human surveillance, and to this end, U.S. advisers have been training long-range reconnaissance patrols, whose success to date has been encouraging. These are squads of about six men who are trackers trained especially to operate at night, when the guerrillas travel and are most easily located.

In the army's attempt to discover the enemy's base camps, it is also essential for the Salvadoran soldier to enlist the support of the man-in-the-street and the peasant-in-the-field. Contemporary left-wing rhetoric notwithstanding, the FMLN does not enjoy much popular support, except possibly in the sparsely populated, strategically unimportant areas of Chalatenango and Morazan along the Honduran border. The overall support of the people is, therefore, within the reach of the army. Should it be achieved, it will help limit recruitment opportunities for the guerrillas and also provide an invaluable source of information because the peasants are in an excellent position to know the movements and the locations of the guerrilla forces. Obtaining the cooperation of

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these *campesinos* against the Salvadoran guerrillas requires courage, tact, even diplomacy. It is crucial and takes time to teach.

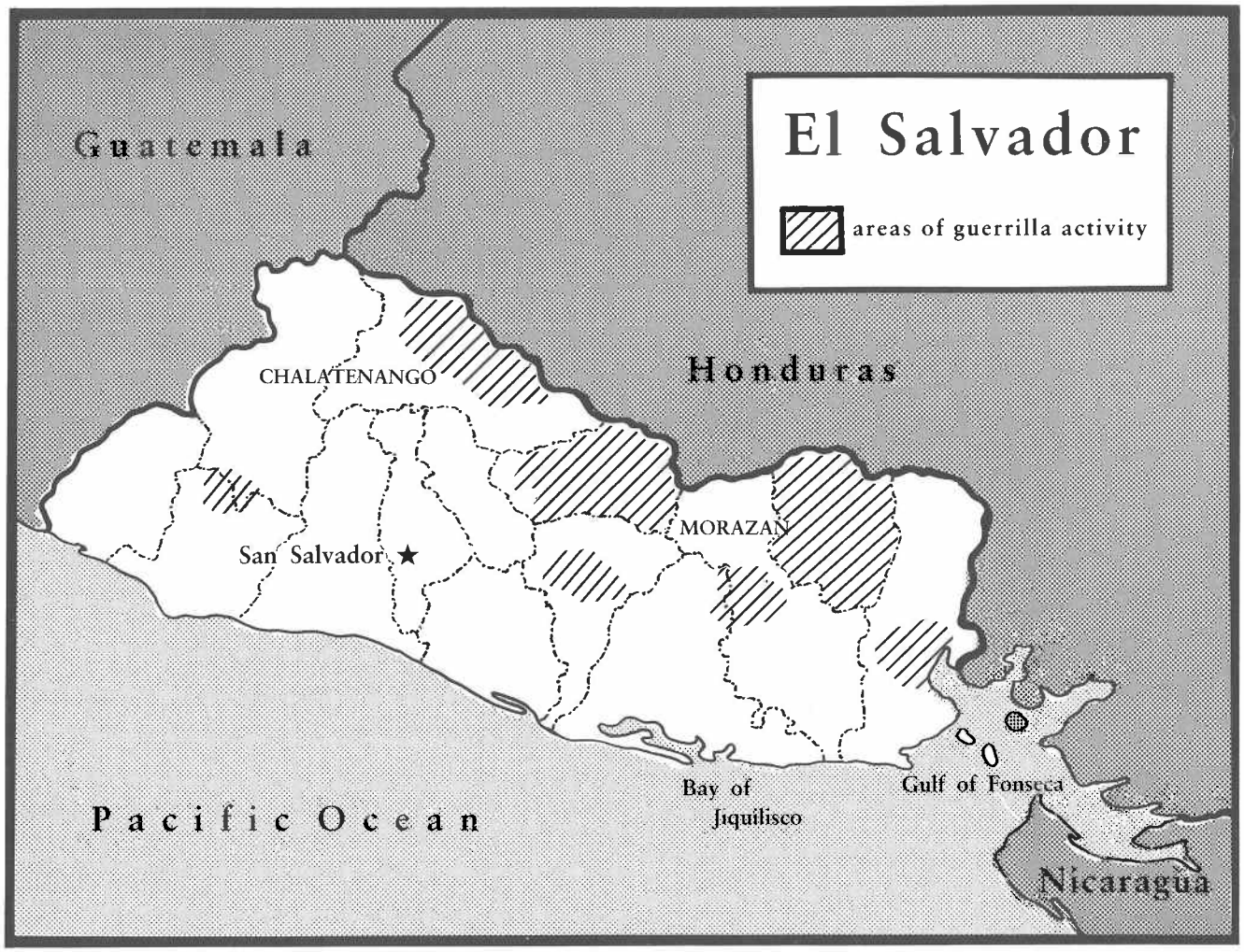
Once the guerrilla is located, he must be damaged. In each of the country's 14 provinces, the Salvadoran army requires at least one well-equipped, 350-man hunter battalion, which will be broken down operationally into smaller teams capable of scouting guerrilla movements, destroying his base camps, and disrupting his supplies. With this kind of trained, mobile force, the Salvadoran army can both defend vital public services and mount a tactical offensive to keep the guerrilla on the run, foraging and scrimping for his food, no longer a determined terrorist but a dislocated nomad.

The army needs skilled, well-trained officers to command these hunter battalions. Historically, the Salvadoran military academy has produced only some 25 to 35 officers each year. Moreover, the Salvadoran army has suffered from a long-standing, outmoded, and socially exclusive officer corps. American training programs are in the process of changing that. In 1982, 470 Salvadoran cadets completed a 12-week officers' training program at Fort Benning, Georgia. In 1983 more than 600 Salvadoran cadets enrolled. Thus, a far higher percentage of the applicants to the Salvadoran military academy received officer training, and a far less socially exclusive corps has infused the military command hierarchy.

Well-drilled troops and well-trained officers need proper equipment. Currently, much of the Salvadoran soldier's armory is obsolete. His standard infantry rifle should be replaced by M-16s so that he can have at least as much firepower as the guerrilla he faces, who is equipped with excellent Soviet small arms as well as with some American models that were captured in Indochina. The Salvadoran army also needs boots that do not rot in the damp, ponchos and fiber helmets, state-of-the-art communications equipment (which the guerrillas already possess, purchased on the open market), lightweight body armor, and freeze-dried campaign rations.

Improvement in the army's medical care and medical supplies is also essential. Too few combat medics are available, and those who are, are often inadequately trained. Woefully short on medical supplies, the medics need helicopters to evacuate their wounded. The arrival in 1983 of a U.S. 26-man army medical team has helped with these problems, but much more remains to be done. In Vietnam one of every nine or ten wounded American or South Vietnamese soldiers died. For Salvadorans, the death toll has been one of three wounded.

In the final analysis, however, the effort to keep a



Marxist-Leninist guerrilla force from shooting its way into power in El Salvador will depend upon interdicting the guerrillas' remaining supply routes. Substantial successes recorded so far give cause for considerable optimism. The Salvadoran navy has already closed the old sea passage from Nicaragua to the Bay of Jiquilisco (see the map). In May 1983 it converted three 100-foot cutters to patrol boats and began employing them as "mother ships" or buses from which to launch 25-foot Boston whalers equipped with 250-horsepower Johnson engines for hot pursuit of the smugglers. Air surveillance has drastically curtailed the number of plane drops from Nicaragua: The number of unidentified aircraft sighted in El Salvador fell from 100 in the last six months of 1982 to fewer than 10 in the first half of 1983. Moreover, in 1982, Honduran troops began patrolling their territory between Nicaragua and El Salvador for the first time, sharply cutting the flow of overland supplies. Still, the guerrillas continue to receive sophisticated radio equipment, medical supplies, and demolition gear, mostly via land routes through Honduras and Guatemala. This diminishing operation must be squeezed more tightly, above all for psychological reasons: A cutoff in foreign supplies would demoralize the guerrillas in addition to hampering their effectiveness.

True to their form, some members of Congress are dragging their heels in supporting limited, no-risk aid. More than that, Congress has actually placed some impediments to progress in El Salvador. Among the many positive reforms initiated by the junta after the October 1979 coup was a much-publicized and much-needed land reform. History has shown repeatedly that although land reform is almost always terrible economics, it is often a political necessity. So it is in El Salvador, where generations of inequity have resulted in one of the most skewed land tenure systems in the Western hemisphere. The Salvadoran land reforms went a long way toward lessening the guerrillas' appeal to the *campesinos*. Since land reform has become something of a *sine qua non* for continued U.S. support, it is ironic that Congress has passed a law impeding that support. The Helms amendment to the Foreign Assistance Act prohibits "assistance to El Salvador for the purpose of planning for compensation, or for the purpose of compensation, for the confiscation, nationalization, acquisition, or expropriation of any agricultural or banking enterprise, or of the properties or stock shares which may be pertaining thereto."

This legislation has a catch-22 appearance about it. We know that land reform must continue in El Salvador if we are to continue to support their military efforts, and we know that the Salvadoran government must be seen as part of the solution to the host of economic and social ills from which the country suffers. But until the previous owners of the lands are compensated, there will remain a belief among all concerned that the new land law will be repealed. The prohibition on using U.S. funds for the essential act of compensation remains a major bone of contention in the issue of land reform itself and serves no useful purpose. What is needed from Congress is a quitclaim that acknowledges the legitimacy of the land reform and the fact that compensation has duly been paid. This would discourage the old landowners from persisting in their antireform activities and would encourage much-needed reinvestment in the economy.

Another legal impediment to sound policy, an inappropriate holdover from our unhappy experience in Vietnam, is the restriction that prevents our advisers from working with any police force or agency that has an internal security mission. Section 660 of the Foreign Assistance Act of 1961, as amended in the Foreign Assistance Act of 1974, prohibits the use of U.S. funds "to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government." The philosophical and moral reasons for such a restriction appear reasonable enough, to be sure. But in El Salvador this legislation is working against human rights. The legislation prohibits U.S. training of the approximately 10,000 men in the national guard, the treasury police, and the national police, who occasionally fight as infantry. In Guazapa treasury police and national guard units fight the guerrillas alongside the army. These forces—accounting for one quarter of El Salvador's troops—are beyond our influence, and partly because of this they have the worst record for human rights violations. In fact, there have been marked improvements in the treatment of civilians by the army, and more prisoners have been taken, precisely because those units have come under our influence and observation. But we have not been able to respond positively to the request from the commander of the treasury police (and from his predecessor as well), who has asked us to train and supervise his men, knowing full well that along with our instruction in counterinsurgency tactics comes increased respect for human rights.

To contain Communist insurgency in Central America, it is not enough for Congress to provide funds. The funding must be regular and predictable. Too often the Salvadoran military has lost an advantage or wasted precious time waiting on the vagaries of the congressional budget process. In the critical months following the March 1982 election, momentum so painfully won was lost. As a result of holdups in funding from Congress, only a few newly trained, company-sized units were added to the Salvadoran armed forces between May 1982 and September 1983. The guerrillas used this lull to launch a successful military offensive that partially offset their political defeat in the elections. This past May the government inaugurated its new national campaign plan. It includes far-reaching social and economic programs as well as continued efforts of counterinsurgency by the military. The plan will require a gradual but steady expansion of the armed forces to achieve a favorable force ratio against the FMLN. The new offensive will require a commitment to training and equipment on a firm, reliable timetable.

Victory in El Salvador requires patience: It may take several years to build up an officer corps and counterinsurgency force sufficient to wear the guerrillas down. But Marxist-Leninist guerrillas have been defeated in countries ranging from Venezuela to Greece to Thailand. They can also be defeated at little American cost in El Salvador.

archivist of the United States, and Congress would receive a copy of our proposal.

Congress would have two months or so to review our work. If we had violated our oaths and amended any section of the Constitution or Bill of Rights or proposed anything besides a balanced-budget amendment, Congress would refuse to send our work to the states for ratification. Otherwise, Congress would be required to do so.

Our amendment must then be ratified by 38 states. Here again, checks in the system would prevent irresponsible amendments from becoming law. The 32 states that have already called for a convention have stated they want it to deal solely with a balanced-budget amendment, and 10 have declared that their calls are automatically null and void if a convention exceeds its bounds. Presumably, they would reject outright any runaway amendments. And then there are the 16 states that never requested a convention in the first place. It is highly unlikely that off-subject amendments would survive the long road to ratification.

What would happen if, instead, we had Congress write the amendment? A draft would have to originate in the House and Senate Judiciary Committees—and the former is openly hostile to a balanced-budget amendment. And how good an amendment do you think congressmen will write? You worked to get elected to the convention because this is an issue you strongly support. Abraham Lincoln preferred conventions over Congress for just this reason: ". . . [T]o me the Convention mode seems preferable, in that it allows amendments to originate with the people themselves; instead of only permitting them to take or reject propositions originated by others, not especially chosen for the purpose." Indeed, political views and constituent service are sometimes less important for electoral success than athletic ability and space travel.

Frowning Founders

The convention is more than just a safe alternative route for amending the Constitution; it is a superior method. One must be skeptical, after all, of a Congress that turned its attention to a balanced-budget amendment only when the states turned the heat up—and when an election was just around the corner.

Unlike Congress, which is forever flitting from issue to issue, a constitutional convention would have as long as necessary to draft this one amendment. It would be certain to give more thought to the issue than the House of Representatives, which last year debated the amendment in a grand total of five hours.

The history of Article V—not to mention logic—clearly demonstrates that the Founding Fathers would frown on the arguments advanced by opponents of a balanced-budget amendment. Their attacks threaten one of the most powerful mechanisms of redressing grievances and ensuring self-protection that the states have. It is a safe mechanism, and one the people of a democracy should be proud to have and employ.

Pandora's Convention?

Opponents of a Balanced-Budget Amendment Promote Groundless Fears about a Constitutional Convention

Eric Meltzer

Since 1975, 32 states have passed resolutions calling for a limited constitutional convention to draft a balanced-budget amendment. Only two more states and Congress will be forced to convene the convention.

Opponents of a balanced-budget amendment, however, have argued that a constitutional convention would not limit itself to the federal budget, that it would run away, leaving the Constitution in tatters and the American people without rights.

Not only is this wild charge false, it also does great damage to the people's right to redress grievances through their state legislatures. If the central government is unresponsive to the citizenry, a constitutional convention is the only recourse.

The Founding Fathers would find the current scare talk galling. Article V, as originally approved by the Constitutional Convention of 1787, allowed for "an amendment" to be drafted only at a convention called "for that purpose." But James Madison felt that "an easy mode should be established" for amendment. The final version placed the Congress on equal footing with the states in their power to amend the Constitution only so that the difficult convention route would not be required every time an amendment was needed. The right of Congress to propose amendments, which is now seen as all-important, was created solely as a compromise to convenience.

Amendments of the Proper Kind

Unlike current opponents of a balanced-budget constitutional convention, the Founding Fathers had no fear of a runaway convention. They were concerned, however, about a runaway central government. They therefore insisted on a state-controlled route for amendment. George Mason argued that "no amendments of the proper kind would ever be obtained by the people if Government should become oppressive."

History has proved Mason correct. The limitation of presidential tenure to two terms, the repeal of Prohibition, and the direct election of senators were all the result of pressure from the states for a constitutional convention. As might be expected, the self-interest of senators was a powerful block to the passage of a direct election amendment. Pressure from the states—only one more was needed to call a convention—finally forced the Senate's hand after a decade of recalcitrance.

History is repeating itself. Because of self-interested congressional opposition, a balanced-budget amendment is unlikely to be passed without popular pressure. Congress simply does not have the discipline or incentive to curb spending and pursue the interests of all taxpayers, not just organized special-interest groups and the votes they can deliver. In such cases, Article V enables us to redress our grievances.

A Hypothetical Convention

Let's suppose that Congress continued its recalcitrance on the balanced-budget amendment and that tomorrow two more states were to pass resolutions demanding a constitutional convention. What would happen?

Congress, realizing it had 34 valid petitions, would pass a bill convening the convention at a particular time and place. It would report this to the states. Each state would have one delegate chosen for each congressional district and two chosen on a statewide basis, for a total of 535 delegates.

You and I, let's suppose, run and are elected as delegates to the convention. As vice president of the United States, George Bush would administer to us an oath that we would not vote on or introduce any off-topic issues. Mr. Bush would preside until we elected our own leadership. Then we'd be left to ourselves to break into committees or do whatever else we deemed appropriate for drafting an amendment. There would be lengthy debates over what majority Congress would require to run a deficit, what exclusions (such as declared war) should be allowed, and all other issues pertaining to budget balance and spending limits we felt it necessary to consider.

When we had approved a final draft of the amendment, the convention would be disbanded, a verbatim record of our debates and votes would be sent to the

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Acid Rain

A Billion-Dollar Solution to a Million-Dollar Problem?

S. Fred Singer

The prevailing scientific opinion holds that a major reduction of sulfur emissions in the Midwest will lead to a proportionate reduction in the acidity of rain over the Northeast and eastern Canada. This, in turn, will slow the depletion of fish stocks in lakes, as well as reduce other ecological damage. On the basis of this opinion, legislation has been introduced that would cut sulfur emissions from coal-burning electric power plants in the Midwest by more than 50 percent, at an annual cost to electricity customers there of $5 billion to $8 billion.

It is by no means clear, however, that there is a proportionate relation between Midwestern pollutants and the disappearance of Northeastern fish. On the contrary, there is a real scientific risk that a major cleanup of the suspected emissions would yield only a minor, less-than-proportional reduction of the damage. There is, in addition, a strong possibility that a crash cleanup would be an economic calamity: a multibillion-dollar solution to a million-dollar problem.

Natural rain is weakly acidic and has been so for millions of years. But its acidity increases wherever the burning of fossil fuels releases sulfur to the atmosphere; in addition, winds can carry acid-rain pollutants over long distances. Acid rain certainly does not threaten human life, and we don't believe it can harm human health. It does kill fish in sensitive lakes: More than 10 years ago, acid rain began to be blamed for the depletion of fisheries in Scandinavia and, more recently, for the same problem in the Northeast and Canada, where lakes are already naturally prone to acidity. It may affect trees in sensitive areas. And acid rain, or its precursors, also damages man-made structures.

Scientific understanding of acid rain declines rapidly as we deal successively with three basic topics: the emission of pollutants, the transport and deposition of acidic material (rain is only one form of deposition), and the effects that are ascribed to acid deposition.

The principal emissions implicated are sulfur dioxide (SO_2) and nitrogen oxides (NOX). Electric power plants burning coal and oil are the principal emitters of SO_2, with metal smelters and other industrial sources making a substantial contribution. Power plants and industries contribute a little over half of the NOX, with automobiles, trucks, and buses furnishing the rest.

The source of the SO_2 is the sulfur in oil, coal, and mineral ores. Most of the NOX comes from nitrogen in the atmosphere, which can combine with oxygen at the high temperature encountered in combustion.

The United States and Canada are now emitting more than 20 million tons of SO_2 and a comparable amount of NOX. In the United States, strict air pollution regulations already limit SO_2 emissions from new power plants (but not from old ones) and NOX emissions from new private automobiles (but not from power plants or old cars). Sulfur emission rates, after growing rapidly until about 1970, declined slightly in the last decade and are not expected to increase. NOX emission rates are expected to increase somewhat, depending on the degree of pollution control applied to industrial and utility boilers.

There are also natural sources. For example, NOX is created in the atmosphere by lightning. Sulfur is released to the global atmosphere from biological processes in the ocean in amounts about equal to the total human contribution. Volcanoes release sulfur but in smaller amounts. These natural sources are more uniformly distributed or episodic; man-made emissions are continuous and concentrated. Where people live and work, they swamp natural emissions by factors of 10 or more.

What goes up must come down. In the old (but not so good) days combustion products came out of chimneys and landed in the neighborhood of the boiler: ash from mineral matter in coal, soot from incomplete burning, and of course, SO_2 and NOX. Then two things happened. The industries installed filters, either electrostatic devices or cloth filters, to eliminate particulates, like ash and soot. These filters couldn't remove the noxious gases, so tall smokestacks were constructed to disperse them.

Although these changes benefited the immediate neighbors and reduced urban pollution, they caused

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That the fish are no longer jumping may not be principally the fault of sulfur emissions. The relation between the two is still poorly understood.

problems elsewhere. Removal of the alkaline ash particles eliminated a means for neutralizing the acid-forming gases. And the tall stacks put the polluting gases well above the atmospheric boundary layer, making long-range transport possible.

The details of the acid-forming process itself are not well understood. We believe that a large fraction of SO_2 is converted to sulfuric acid, probably in atmospheric water droplets; NOX is converted to nitric acid. In the presence of sunlight, NOX may even be a key factor in the conversion of SO_2—a potentially important synergistic relationship. The data show that acid rain has affected a wider area of eastern North America in the last decade or so, but that there has been hardly any increase in the peak acidity.

A comparable amount of the pollutants returns to the ground surface in dry form, either attached to particulates or as gases that are absorbed by the soil and converted into acids. It is extremely difficult to measure this "dry deposition."

Two technical issues of great importance hinder the search for a solution to acid rain. One is the exact quantitative relation between emissions and total deposition. Will cutting emissions in half really reduce deposition by 50 percent? The other issue is transport. Can we target the sources that produce the greatest damage in ecologically sensitive regions? The jury is still out on both questions.

A recently released report of the National Research Council of the National Academies of Sciences and of Engineering found essential proportionality between emissions and deposition when averaged over eastern North America and over the whole year. But the deposition rate falls during the winter, partly because stronger wind systems sweep pollutants over the Atlantic Ocean. An important (and unknown) additional factor may be a reduced transformation rate of SO_2 into sulfuric acid during the winter. The limiting factor may be oxidants (partly originating from NOX), and in winter less sunlight is available for the production of such oxidants. If this hypothesis is correct, then reducing SO_2 emissions alone will not reduce acid rain proportionately, especially during winter.

Testing the Proposition

Indeed, Great Britain, which is blamed for acid rain in Scandinavia, has reduced sulfur emissions more than 30 percent since 1970, largely by using cleaner fuels. Yet the condition of Norwegian lakes has not improved, nor has acid rain perceptibly diminished—indicating that other factors may be involved here. In essence, this European experience constitutes a real-life experiment that seems to show that simple sulfur removal may not be the whole answer.

The council's report also examined the influence of local and distant sources on receiving areas. Unfortunately, neither available data nor meteorological transport calculations are good enough to allow a decision. The highest concentrations of acid rain clearly occur in regions where emissions are highest, that is to say, locally. There is no simple transport trajectory to help trace pollutants to any particular distant source. Joint U.S.–Canadian experiments will soon be under way using tracer substances to establish air-flow patterns for acid rain.

Probably the greatest scientific uncertainty clouds the ecological effects of acid deposition. Nor do we have reliable estimates of the dollar amounts of damage: Is it millions of dollars per year or less, billions or more?

Least controversial are effects on man-made limestone structures, such as monuments, bridges, and buildings. Acid rain, and even SO_2 combining with moisture on the surface of the structure can dissolve the stone.

Effects on sensitive lakes are more controversial. More small lakes in the Northeast are becoming acidified, but it does not follow that reducing acid rain will slow the trend substantially. The reason may be that the soils surrounding these lakes are naturally acidic and any flow of water through them will carry acids into the lake. If the geology of the region is granite (which is acidic) rather than limestone (which is alkaline), the lake cannot neutralize all the acid. Eventually, with high acidity, metals

toxic to plants and fish are liberated from the soil and lake sediments. The lakes become beautifully clear, but fish die. Adding ground-up limestone will restore the biota, but frequent liming can be costly.

The Dying Forest

Most uncertain are the effects of acid rain on soils and forests. Agricultural soils receive so many chemicals, including lime, that acid rain should produce no deleterious effects on cash crops. In fact, both nitrogen and sulfur are good fertilizers.

Many unmanaged soils, especially forest soils, are naturally acid. The prevention of forest fires may speed acidification, since fire adds alkaline ash to the forest soil, while its intense heat causes the evaporation of volatile soil acids.

Still, there is concern that increasing acid precipitation can cause irreversible changes in soils—even if all acid rain were stopped, the soil would not recover for many decades. If soil damage were strictly cumulative, then reducing emissions (and acid rain) would not avert the destruction but simply stretch the time until irreversible damage occurs. If, for example, as some believe, we must act within five years, then cutting emissions by half will only stretch the critical time to 10 years. A 95 percent reduction could be required to stretch the time to 50 years; no one has yet suggested such a radical step.

Currently, *das Waldsterben* (the dying forest) is at the top of the political menu in West Germany, where the government has proposed drastic (and expensive) steps to cut emissions of SO_2 and NOX. Unfortunately, the evidence that these could help is simply not credible. For example, the German data show that within the last two and a half years the percentage of dead and sick spruce trees increased from 15 percent to 90 percent in certain areas. If the data are correct—that is, if they are not caused by a change in criteria—then there must be other causes, perhaps other air pollutants (such as ozone, toxic heavy metals, or herbicidal chloro-organic chemicals from industries or incinerators), or even biological agents.

The Fish and Wildlife Service of the Interior Department has tried to separate the effects of acid rain from those of other pollutants. They can find no evidence for acid rain effects on forest growth, although other pollutants are definitely harmful. A thorough study by the Environmental Protection Agency has found no clearcut effects of acid rain on forest growth. Some effects were positive, some were negative.

The legislation to cut sulfur emissions in the Midwest would involve retrofitting flue gas desulfurization (FGD) equipment to old plants. Until now these plants have been exempt from statutory new-source performance standards—although they were required to burn low-sulfur coal. (Sulfur is the important target because it contributes twice the acidity that nitrogen does.)

People supporting such legislation believe, contrary to all scientific evidence, that the crucial emission regions can be targeted. They also believe that depositions can be reduced by 50 percent and that damage will be reduced correspondingly. Most important, they believe that the damage is somehow commensurate with the control costs and that these costs will be borne by others.

The opponents, quite naturally, point to the uncertain state of our scientific knowledge and ask time for more research. In addition to the great cost of installing FGD equipment, there is the environmental hazard in disposing the large quantities of sulfate sludge generated in the operation. The go-slow approach has been the administration's posture till now, although we may expect to see a change announced by William Ruckelshaus, the new EPA administrator.

Bureaucratic Solutions?

A peer review panel set up by George Keyworth, the White House science adviser, has recommended a "meaningful" reduction in sulfur emissions in eastern North America—one just large enough to indicate whether precipitation acidity is reduced correspondingly—but using a "least-cost" approach. A least-cost approach means removing sulfur first in plants and processes where the cost is lowest, before introducing more costly pollution-control methods like FGD. With the low-cost approaches that are available, a pound of sulfur can be removed for a small percentage of the cost of FGD. Possible targets include large smelters that do not control SO_2 emission sufficiently. Also, "washing" coal before it is burned can often remove sulfur at low cost.

The least-cost approach could be taken automatically if the government were to permit those who now emit SO_2 to trade emission rights. The "bubble" concept was introduced by EPA during the Carter administration and allowed a firm to trade off emissions within a given facility as long as a certain total was not exceeded. Rather than legislate and control the emission from each smokestack, a giant bubble covering regions of the eastern United States (and perhaps Canada) could achieve a specified government-mandated reduction in total SO_2 emission at the lowest possible cost. Each industry would buy or sell pollution rights so as to minimize its own total cost—control costs plus costs of rights. Since the costs of the rights are not actual resource costs but transfer costs, such an arrangement would also achieve the lowest control costs nationally.

Instead, current legislation puts the burden of pollution control on electric utilities "because they can pass the costs along to the users." But this approach produces a national cost on the order of $10 billion a year. If a market approach were used, electricity users would still pay the cost, but the cost itself would be much lower.

The best long-term solution for acid rain may lie in reducing the use of fossil fuels. Energy conservation will probably continue simply because of higher prices. Hydro, solar, and wind energy are steps in the right direction, but they present us with their own environmental problems: building new dams and reservoirs, covering vast areas of the countryside with solar collectors, and noisy large windmills, not to mention the high costs.

In the final analysis it may come down to the careful use of more nuclear power as the cleanest and least intrusive form of energy available to mankind.

Therapy for the Budget

The Congressional Budget Process Is Only a First Step Back to Fiscal Sanity

Senator William L. Armstrong

It is easy to understand why so many fiscal conservatives proclaim the congressional budget process a failure.

- The budget has been in deficit *every year* since the Congressional Budget and Impoundment Control Act of 1974 took effect in 1977, and the deficits have been growing larger year by year.
- The projected deficit for the current fiscal year is about $200 billion. That's a mind-boggling sum by any measurement, but especially so when we remember that it wasn't until the 1971 fiscal year that the federal government even spent $200 billion.
- Those deficits have not occurred because Congress has been squeamish about raising taxes. Tax revenues have increased from $230.8 billion the year before the act took effect to $617.8 billion in fiscal 1982.
- Although a major argument for passing the budget act was the restraint it would impose on federal spending, outlays have risen from $269.9 billion in fiscal 1974 to an estimated $848.5 billion for fiscal 1984—a 317 percent increase in just a decade. With restraint like that, we had better hope we never see congressional profligacy.
- Furthermore, Congress has been unable to abide by its own rules. Budget resolutions are rarely passed by the required deadlines. Moreover, the day-to-day funding of the government lurches from one "continuing resolution" to another because of lawmakers' inability to pass the normal appropriations bills.

Yet despite this record of fiscal atrocities, I believe the budget process is working. Indeed, fiscal conservatives have gained the most from it, and they would have the most to lose if it were abandoned.

By setting aggregate taxing and spending levels and requiring legislators to work within the limits, the 1974 budget act has forced Congress to look at the budget as a whole. This has helped focus attention as never before on the macroeconomic consequences of deficits, taxes, and federal spending. Budget deficits are Topic A in congressional cloakrooms, on Wall Street, and in the media. The primary reason why deficits have moved off the business page and onto the front page is because never before in our history have deficits been so large, or their baneful consequences so evident. An ideological shift (gently to the right) in the American electorate has also contributed to the renewed interest in fiscal responsibility. But the contribution of the budget process itself to heightened public awareness of deficits and government taxing and spending should not be overlooked.

The budget process has also made it plain that there is no such thing as a free lunch. A lawmaker who wishes to spend more for some program—whether welfare or defense—must explain where he intends to get the money to pay for it: by reducing spending on other programs, by raising taxes, or by incurring a larger deficit. No longer can lobbyists for special-interest groups easily argue for their pet projects as if they existed in a vacuum. A subsidy or tax break for one special-interest group clearly must come at the expense of another—or at the expense of a responsible budget.

But the biggest success story of the budget act was the passage of the president's sweeping tax and budget cuts in 1981. Had Ronald Reagan's proposals been considered piecemeal, instead of a package on which members of Congress had to vote yes or no, very little of his program for economic recovery would have been enacted. Because of the budget process, there was less opportunity for special interests to divide and conquer.

There's another reason the president's program passed: The language of the budget act contains one sharp tooth, reconciliation. Under the act, only the aggregate ceilings for budget authority, outlays, and revenues are binding. But in 1981 the House and Senate Budget Committees led the Congress to include reconciliation instructions in the first budget resolution. Thus they required the 14 standing Senate committees and the 15 House committees to report legislative changes that would knock spending down to the limits they had set. The legal basis for this was the broad language contained in the act that permits the first resolution to include "any other procedure which is considered appropriate to carry out the purposes of the act." Fiscal conservatives were thus empowered to demand cuts. The Congress sup-

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ported the Senate Budget Committee's efforts to order committees to reconcile their figures with the ceiling.

During the 1981 reconciliation proceedings, for example, the Agriculture Committee was instructed to find $4.6 billion worth of cuts in the agriculture, nutrition, and forestry portion of the budget for fiscal year 1983. It found $4.7 billion it could save by reducing $2.1 billion in food stamps, $1.3 billion in the school lunch program, and $200 million in FMHA rural development loans, among other things.

To say that the congressional budget process is functioning, however, is by no means to say that it cannot be substantially improved upon. Indeed, it must be stiffened further if Congress is to get runaway federal deficits under control.

One reform that is urgently required is to put all federal spending under control of the budget committees. "Off-budget" spending—the purchase of loan assets, for example, and direct loans to private borrowers—has gotten completely out of hand. In the 1981 fiscal year, off-budget financing amounted to $21 billion, a substantial sum, more than it costs to run the departments of Commerce, Labor, and Justice together. The Federal Financing Bank since its inception in 1974 has guaranteed loans totaling $124 billion—more than "on-budget" federal spending in fiscal 1965. There has been an alarming tendency in Congress to put more federal obligations off-budget, thereby hiding the full extent of federal spending. For example, while the Agriculture Committee was snipping away at portions of the budget in 1981, the Energy and Natural Resources achieved its spending reductions merely by putting the Strategic Petroleum Reserve off-budget, "saving" $3.3 billion. Clearly, this is no way to cut federal spending.

A change in accounting procedures is needed, too. The government should show its entire budget on a gross basis, as former Comptroller General Elmer Staats has suggested. The revenues, or revolving funds, generated by various government activities—from timber sales to interest paid on government loans—should be tallied up and shown as gross revenues received by the government. From that total, all expenditures would be subtracted. Commonsensical as it sounds, that procedure is not followed. Although revolving funds total some $300 billion annually, according to Senate Budget Committee estimates, they do not show up in the budget. For example, the Ex-Im Bank and certain other government lending agencies are allowed to subtract their revenues (from previous loans) from their anticipated funding needs for the coming year. Congress thus has no way of knowing how high their expenditures actually are.

Another reform would be to make the targets in the first budget resolution binding. If spending plans for a given function of the government were too high, the Appropriations Committee would be forced to reconcile the difference to remain in compliance with the budget. Elimination of a second budget resolution would also keep Congress from passing a second binding resolution that merely accepted the overspending proposed by the authorizing committees.

An Orderly Mechanism?

The budget cycle begins when the president submits his budget to Congress in late January or early February. The congressional legislative committees then turn in to the Budget Committees their versions of the tax and spending levels required to operate the programs under their jurisdictions. By April 15 the Budget Committees are supposed to have reported out a first resolution, setting overall targets for total revenues, outlays, the deficit (or surplus), and the national debt. Congress passes this resolution by May 15.

By the end of September Congress is supposed to have passed a second resolution—essentially a fine-tuning of the first, with all estimates revised to reflect current economic forecasts. And it is binding: No tax or spending category may exceed what is specified in the second resolution, so during the summer, committees must reconcile their bills with the Budget Committees' limits.

In theory, that new budget process, established by the Congressional Budget and Impoundment Control Act of 1974, provides an orderly mechanism for Congress to consider income and outgo together. Practice is another matter. This year, for example, Congress had passed fewer than half of the 13 regular appropriations bills when the 1984 fiscal year began on October 1. A continuing resolution prevented a federal shutdown by funding government agencies at previous levels; it expired November 10. Unlike the stopgap measures of years past, this continuing resolution was not a Christmas tree laden with unauthorized spending ornaments, but Congress soon began work on a supplemental appropriations bill—underscoring the need for the president to have line-item veto authority.

Whatever its faults, the new budget process is an improvement over the way Congress used to go about playing with taxpayers' money. Taxing and spending bills had proceeded through the legislative process without any relation to each other. The House and Senate authorizing committees determined overall funding levels for defense, education, transportation, and so forth, and then the appropriations committees voted specific dollar amounts for particular programs. The Senate Finance Committee and the House Ways and Means Committee, meanwhile, wrote the tax laws that generated revenue to pay for the spending programs. Whether the overall budget was in balance, in surplus, or in deficit was more often a product of accident than of design.

Limiting the scope of supplemental appropriations bills, which in recent years have become a backdoor means of budget busting, would be another worthwhile step. Congress should make it more difficult, if not impossible, for new spending measures, such as the Emergency Jobs Act of 1983, to be added to supplemental appropriations measures. Recent supplemental appropriations have included funds to renovate the vice president's residence, add guard staff to the Smithsonian Institution, raise the salary of the librarian of Congress, and construct new courthouses in Atlanta and Fort Lauderdale—among many other projects.

A more significant reform would be to reverse the procedure currently followed when the president determines that previously authorized spending is not necessary. In August, for example, Mr. Reagan rescinded $15 million from the State Department's Bureau of Refugee Programs because fewer refugees had entered the country than expected. Such rescissions involve relatively small amounts, but they add up. The present system has a bias in favor of spending: Congress must approve the president's rescission order within 60 days or the unnecessary spending will occur. In the case of the refugee program, Congress failed to act, allowing the $15 million to remain in State's coffers. I believe Congress should reward thrift, not waste. We should change the law so that if Congress does not overturn a rescission request within 60 days, it would automatically take effect.

A constitutional amendment would expose budget busters to the political peril that responsible fiscalists now incur every time they vote against a spending bill.

There are also several procedural reforms that could make the bumpy budget process work more smoothly.

One proposal, introduced in the form of legislation by Senators William Roth (R–Delaware) and Daniel Quayle (R–Indiana), would establish a two-year budget cycle. Each Congress would pass the biennial budget during the first year of the biennium, with the second year devoted to congressional oversight and other important legislative responsibilities. Moreover, a biennial budget might encourage members to devote more time and effort to the spending budget, since it would be the only one for the next two years.

Contained in the Roth proposal is the suggestion to consolidate the appropriations bills into a single omnibus appropriations bill. Although the first resolution presents to Congress a budget package on which members must vote yes or no, the 13 appropriations bills are still considered separately. Consolidating them would not only save time, but it should also strengthen the hand of the fiscally responsible because, as we have learned through bitter experience, it is easier to get big-spending legislation approved if it is considered piecemeal rather than as part of a coherent package.

The two reforms that would do the most good, however, are so sweeping that they would require Constitutional amendments to be put into effect. One would grant the president the authority most state governors have—to veto specific spending proposals within an appropriations bill without having to veto the entire bill. If we granted the president a line-item veto, substantial spending restraint could be achieved without those melodramatic midnight confrontations that jeopardize the operation of the entire federal government while Congress and the president wrangle over some small item in a mammoth appropriations bill.

That, like the other reforms suggested thus far, only serves to strengthen the budget process as it now stands. Many argue that a fundamental problem remains. Increased federal spending has become an increasingly troublesome impediment to economic progress. The resulting deficits have absorbed a rising proportion of the private savings generated by our economy, hampering proper management of both fiscal and monetary policy. Some suggest a stronger step—a Constitutional amendment limiting spending to some percentage of GNP. This is a step in the right direction.

In my opinion, however, a balanced-budget amendment is the only effective way to enforce fiscal responsibility. A Constitutional amendment to balance the budget is also a required reform because it would shift the burden of proof from those who seek to cut federal spending to those who clamor for more. A Constitutional amendment would expose budget busters to the political peril that responsible fiscalists now incur every time they vote against a spending bill.

With few exceptions, opponents of a balanced-budget amendment have not come to grips with the persuasive intellectual case, that the amendment is an attempt to repair a fundamental defect in our Constitutional system. This defect arises because small special-interest groups always enjoy an organizational advantage over large, diffuse groups of citizens and taxpayers. This gives rise to a structural asymmetry in budgeting, one that is practically impossible to alter short of Constitutional change. The weak, exploited group—the taxpayers—are more effective at holding down the level of taxes than the level of spending. Although the portion of personal income going to the federal government has risen steadily, the politically irresistible claims on spending have risen even faster. The result has been chronic deficit spending, increased government spending and taxes. A balanced budget mandated by a Constitutional amendment would help to change all of this.

A balanced-budget amendment is, ultimately, the only effective counterweight to the inherent bias in favor of big spending and fiscal irresponsibility in our political process. Without such an amendment, the general interest—the taxpayers' interest—will always be at a disadvantage.

Around the States

California's First Conservative Governor

In George Deukmejian, California finally has a Republican governor who not only talks like a conservative but acts like one.

Forty years ago, the state's conservative business and political leaders thought Earl Warren, a beefy, crime-busting public prosecutor, was just the man to reverse the "Little New Deal" of Democratic Governor Culbert Olson. When Warren turned out to be every bit as supportive of expanded public services as Olson, they placed Los Angeles superior court judge Goodwin J. Knight in the lieutenant governorship to watch over Warren.

But within a few months of Knight's own accession to the governorship upon Warren's 1953 appointment as chief justice of the United States, these same conservatives were complaining that Knight was a stoolie of the state's AFL-CIO labor leadership.

A decade later, mediagenic Ronald Reagan was picked to stem the tide. By the end of his first year in Sacramento, he had signed into law a $1 billion tax package raising the state's sales, income, and business taxes to their highest levels ever; when he left Sacramento in 1974, state spending had almost tripled.

More than Talk

By contrast, George Deukmejian has controlled the growth of California government, and he has done so despite the most liberal Democratic legislature in the country. After a fractious first year in the state capital, he can point to the following accomplishments:

- Last January, almost all the state's top fiscal experts advised him that a 1982–83 budgetary shortfall of $1.5 billion could be financed only with a sales tax increase. Although accepting some "loophole closing," Mr. Deukmejian refused to sanction what he described as a "general" or "net" tax increase and demanded that the deficit be rolled over into the current fiscal year. State forecasters now believe that the deficit will be fully paid off this fiscal year and that the state could enjoy a $1 billion surplus next year.
- He blue-pencilled $1 billion from the state budget—including especially hefty cuts from such Jerry Brown inventions as the State Agricultural Labor Relations Board, the Office of the State Public Defender, and the California Coastal Commission—in order to hold the rate of general fund spending for 1983–84 at the same $22 billion level as the previous year.
- Despite at first underestimating the broad-based public support for school reform, he eventually got to the head of a parade for such changes as increased high school graduation requirements, longer school days, tougher campus discipline, higher new-teacher salaries, and the barest beginning at merit pay for teachers. Along the way, he agreed to up the financial ante for the education package from $350 million to $800 million; this is the one area where the governor believes major new funding is necessary.
- He held out against budgetary language that would have provided a sales tax option for local government, which the Democrats saw as a vehicle for keeping state spending high. The governor is expected to propose in 1984 a swap of part of the state's sales tax in return for local governments' surrender of revenues they receive from the cigarette tax and motor vehicle license fees in a major proposal to ensure stable funding for local governments.
- Although he lost large parts of his prison expansion and construction package, he won approval for 12,000 new prison beds.

Little more than a year ago, George Deukmejian was generally perceived as a plodding, competent, and not very exciting wheelhorse. With 16 years of experience in both houses of the state legislature before being elected state attorney general in 1978, he was thought to be among the last to rock the boat in Sacramento. It was the "Duke," after all, who as a state senator had carried Governor Ronald Reagan's 1967 $1 billion tax package.

Governor George Deukmejian.

That Mr. Deukmejian even saw himself as gubernatorial material surprised many. His only legislative passion had been crime fighting, and the attorney general's job was always believed to be his highest aspiration. The Reagan-dominated core of Republican activists—including such key kitchen-cabinet members as Justin Dart, Holmes Tuttle, and Earle Jorgenson—overwhelmingly favored the far more glamorous young lieutenant governor, entertainment impressario Mike Curb. And they raised a $1 million war chest for Mr. Curb to scare off Mr. Deukmejian at a time when his only firm base of support was his hometown of Long Beach and the Armenian community, to which he has always paid affectionate familial regard.

Surprising nearly everyone but himself, Mr. Deukmejian took Mr. Curb and then Democratic gubernatorial nominee Tom Bradley, the moderate black mayor of Los Angeles, in quick succession. Still he was underestimated. Even at the end of the legislative session, Democratic State Senate President David Roberti wondered how his former colleague in the upper house turned out to be "so hardheaded and so inflexible in his negotiations." Mr. Deukmejian answers simply and accurately: "I'm doing what I said I was going to do . . . I don't see why anybody should be surprised. I'm trying to carry out the policies and the pledges I made to the people."

New Realities

Part of the Deukmejian governorship was perhaps inevitable. By the beginning of this decade, the 1978 slash in property taxes mandated by Howard Jarvis's Proposition 13 brought to a crisis what had been looming for a decade before. The post–World War II boom, which made California's economy a marvel whose bounty was exceeded by only a half-dozen nations, was slowly grinding to a halt. During the Reagan era, the high levels of state taxation passed in the heady 1960s began to cause a slowdown in the state's business expansion. That transformed into rising unemployment. At the same time, the California population explosion dramatically leveled off. It was no longer so easy to finance massive expenditures for new highways, parks, and universities, and it was no longer so apparent that such expenditures were necessary.

Mr. Reagan tried hard to confront these new realities in his second term. But though outstandingly successful in reforming state welfare programs, he badly bungled proposed changes in the state Medicaid program—Medi-Cal—and lost a 1973 attempt to put a ceiling on state spending. His successor, Jerry Brown, ultimately went further, talking of an "era of limits" and becoming in his final year the first postwar governor to propose a budget calling for less spending than in the year before.

But neither the wealthy actor-rancher Reagan, who had come to political maturity as a follower of Franklin Roosevelt in the 1930s, nor the iconoclastic Brown, a brainy bachelor child of the 1960s with all its tendencies to value words over deeds, could possibly identify with or embody what was happening to their home state as deeply as George Deukmejian. Unlike both Mr. Reagan and Mr. Brown, he lived in a middle-class home in a middle-class neighborhood, mowed the lawn himself on Saturdays, accompanied his wife to the supermarket, sent his kids to the public schools, and represented those Californians who saw the state as the one place where each man was free to move himself up the ladder as far as his abilities and energies would take him.

His political success thus far can be attributed to the masterful fusion of this 1950s ethos with some of the best thinking in 1980s communications technology. Eleven former legislative colleagues of the governor have found places in his administration. His cabinet is spotted with comfortably old-shoe business, governmental, and agricultural types. Two former presidents of the state chamber of commerce rank among them. But the key advice appears to come from a much younger group with legal training, campaign backgrounds, and public relations orientation. "Governing," says one of these aides, "is in part a series of minicampaigns." The public relations staff of 16—three times what Mr. Brown had—masterminds TV appearances for the governor and other state officials, and tightly controls the information machinery and its indirect political benefits.

He represented Californians who saw the state as the one place where each man was free to move himself up the ladder as far as his abilities and energies would take him.

Savvy

Mr. Deukmejian himself is responsible for some of the best P.R.—often inadvertently. He was on the phone before breakfast one morning to obtain Medi-Cal payment for a small child's liver transplant. When furniture for the governor's mansion (which his predecessor declined to occupy) was held hostage to the legislative leadership's bitterness over his budget policy, Mr. Deukmejian retaliated by having himself photographed taking breakfast at the coffee shop of the motel where he was staying. And before entering a recent reception, he stopped by the Security Pacific Ready-Teller machine to use

his bank card, just like any other Californian, in full view of the accompanying press corps.

There have been some important setbacks. An inordinate number of his appointees have failed confirmation—partly because of legislators' bitterness over his policies. He failed to win passage of a revived Reagan-style workfare program for welfare recipients. He could not get the legislature to collect tuition in the community colleges.

Well into the legislative session, the governor still did not have good lines of communication with Republican legislators—something that contributed to the overthrow of the GOP leader i
house and a major ch
chief of the other. And the Democrats' gerrymander of the state's legislative and congressional maps survived a complex set of legal and political machinations.

Mr. Deukmejian's slowness in grasping the importance of the education issue may also bode poorly for his ability to control the state's agenda once the budget has been cut. Mr. Roberti is partially correct in portraying the governor thus far as "neither creative nor innovative, except in trying to dismantle . . . programs."

But for now, George Deukmejian is riding high. Although some state polls show the governor is viewed as "stubborn" and one suggests six of ten Californians believe he should "try to get along better" with the legislature, most political observers view him as the clear winner of the first-year dueling. And whatever happens in 1984, he has already adopted and implemented the policies that backers of Earl Warren, Goodie Knight, and Ronald Reagan only dreamed about.

Douglas L. Hallett

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West Virginia's Rocky Road

Last year when Alexander Grant & Company, the Chicago accounting firm, made its annual assessment of the business climate in the 48 contiguous states, it ranked West Virginia dead last. Reactions in the Mountain State were predictably harsh but unwittingly confirmed the perceptions of an anti-business attitude.

State Supreme Court Justice Darrell V. McGraw, for example, said the study was the work of "the manufacturers' associations, which are influenced by the multinational outfits guilty of greed in the Orient and Latin America. They go to foreign countries for their labor while our people in Weirton, in Ravenswood, and in Clarksburg go hungry. They have no patriotism."

The populist tradition runs deep in the hills and hollows of West Virginia, strengthened by memories of the Mining Wars in the early part of the century. The state's voters learned on their grandfathers' knees how United Mine Workers organizers had to fight pitched battles against Pinkerton guards hired by management; one coal company went so far as to hire a private air force that dropped explosives on striking mine workers. Today there is still a strong antipathy to business, especially multinational corporations, which are associated in the public mind with coal barons and absentee ownership. And these historic resentments are preventing West Virginians and their elected representatives from coming to grips with their economic distress.

At 17 percent in July, West Virginia's unemployment rate was the highest in the nation. Joblessness has come down from a high of 21 percent in February 1983. But the absence of new businesses to offset unremitting downturns in coal and manufacturing still makes West Virginia a conspicuous exception to the national economic rally.

Vulnerability

Idle coalfields are the source of much of that unemployment. Although this is a regional phenomenon—coal production is down in Virginia and Kentucky as well—no other coal state's economy is so little diversified as West Virginia's and therefore so vulnerable to shrinkages in the coal market. And it has shrunk—as a result of the decline in domestic automobile production, which cut demand for steel, as well as the worldwide recession, which cut demand for electric power (40 percent of West Virginia's coal is sold overseas). Through the first seven months of 1983, coal production in West Virginia fell 17 million tons below the 1982 level, which itself was not spectacular.

Manufacturing has displaced coal as the state's primary industry, but many West Virginia manufacturers are engaged in steel and chemicals—areas of production that have also been crippled by the decline in U.S. auto sales. In the past four years the state has lost 35,000 manufacturing jobs. "I don't want to say those jobs will never come back," says Robert Worden of the West Virginia Manufacturers Association, careful not to forecast any immediate rebound. "I want to be optimistic."

Optimism is hard to sustain. In the Kanawha Valley, the state's industrial heartland, major manufacturers are shutting down. In one instance, Corbin Ltd., a maker of clothing, moved to Kentucky, where business conditions are thought to be more favorable.

Governor John D. (Jay) Rockefeller IV, a Democrat, attributes West Virginia's faltering economy to the nationwide recession, which he blames on the economic policies of Ronald Reagan. "The president said we can cut taxes and spend money on the military and it will all work," he says. "It didn't happen, and it plunged this nation into a very, very deep recession."

In fact, West Virginia's economy began to unravel in 1980, the last year of Governor Rockefeller's first term and the final year of the Carter administration. The preceding decade had been a time of relative prosperity and full employment. During the "energy crisis" of the 1970s, when demand for coal soared, West Virginia's average annual employment climbed from just over half a million in 1970 to a high of 716,000 in 1979. Governor Rockefeller, who took office in 1977, used to be able to boast that his administration had created 49,000 new jobs in West Virginia. But by 1982, employment was back down to 663,600—lower than the figure for Governor Rockefeller's first year as governor.

"I cannot create, nor can [other governors] create demand for the type of products their economy produces," Governor Rockefeller says now. "I think governors often are washed with the effects of the economy. If it's a bad time, governors will get a lot of the blame for it. It's human nature, and it's political reality." The responsibility, he insists, lies with Reaganomics. Heavily Democratic West Virginia, one of six states to stick with Jimmy Carter in 1980, tends to agree with that assessment.

As in Detroit and other areas where domestic production is off, foreign competitors are also scapegoats. "We don't think that it's fair," says United Mine Workers President Rich Trumka, "that a government, say Japan, can subsidize a car so that it can be sold at a much lower price than an American car. If every one of those automobiles that is produced in Japan were instead produced in the United States, the steel would have been produced in the United States"—with consequent increases, he is quick to note, in the demand for coal.

Perhaps because "ecologists" have been relatively inactive in West Virginia, environmental pressures get little blame for the state's economic plight. Acid rain is the one exception. Mr. Trumka and coal company officials are apt to bristle at Canada's objections to the sulfur dioxide associated with coal, pointing out that Canada's Sudsbury nickel plant is the worst polluter of all. Even if a problem does exist, says Mr. Trumka, it is national in scope and ought to be addressed by industry generally, not just coal producers and coal-burning utilities.

Governor Rockefeller, who came to West Virginia from Harvard, bringing with him the environmental concerns of the Ivy League, once complained that strip miners were despoiling the state's natural beauty. He quickly learned to subdue these antagonisms and has come to revere coal mining in all its guises. Under President Jimmy Carter, he was chairman of the National Coal Commission and, when his term on the commission expired, promptly established a state coal commission of his own.

The coal industry has not been rejuvenated, but Governor Rockefeller's occasionally imaginative exertions—he once sent leading industrialists toy train sets loaded with West Virginia coal—have publicized his probusiness posture, helping to deflect criticism of his performance in industrial recruiting. Mr. Rockefeller appears to have escaped blame for the state's economic distress partly in conse-

quence, and he stands a good chance of being elected West Virginia's next senator.

The West Virginia legislature has rejected the kind of reforms that could bring new industry and new jobs. The state's archaic banking laws, which did not allow even limited branching until two years ago, discourage the accumulation of investment capital. A tax on business inventories makes it difficult to attract corporations that have to keep large stocks on hand. And business taxes are discouragingly high.

Governor Rockefeller has failed in luring to West Virginia the large corporations that would alleviate the high level of unemployment. Even government business goes elsewhere.

This year the legislative leadership, stinging from frequent complaints about its antibusiness bias, made a show of adjusting the business and occupation tax (a much-criticized levy on gross receipts) and the tax on corporate profits. But a study by Pittsburgh economist Robert Strauss showed that the changes in the tax structure had actually raised business taxes as much as 63 percent.

Scaring away Business

Other levies have been increased as well. Despite fears that raising taxes in a time of deep recession would increase hardship among the jobless, discourage investment, and make recovery more difficult, the legislature increased the consumer sales tax from 3 to 5 percent in 1981, a year in which West Virginia's unemployment reached 13.4 percent. This was followed in 1983, when unemployment rose even further, by substantial increases in both the personal income tax and the corporate income tax, in addition to a 5 percent increase in the wholesale price of gasoline and a 47 percent markup in the price of bottled liquor, sold only in state stores.

A 1983 survey by the *National Journal* showed that since 1981, the state had raised taxes for the typical family of four by $368—this in a state where the per capita wage was only $8,769. West Virginia taxes "stand out like Mount Everest," said an official of the Advisory Commission on Intergovernmental Relations, established by Congress to monitor the performance of state governments.

Concerned with the adverse effect on industrial development, West Virginia coal operators bought advertising time during radio broadcasts of West Virginia University football games. "Something is wrong with our state," the ads said. "Somehow we've let our legislators, our courts, our regulators go too far. They've made West Virginia too costly for employers to come to, or stay in." Governor Rockefeller did not conceal his resentment of these radio spots, and in the fall of 1983 the university's board of regents, whose members he appoints, ruled that "issue" advertising would not be allowed during game broadcasts, which they control.

The point had already been made, however. Governor Rockefeller, whose political advertising during the 1980 campaign aggressively linked his family connections with the state's future development, has failed in luring to West Virginia the large corporations that would alleviate the state's high level of unemployment. Such successes as he has enjoyed have been small. He points to a Sears store he helped bring to a Charleston shopping mall, for example, but concedes that his influence has been limited in other cases.

Last Place

Even government business goes elsewhere, despite the considerable power of Senator Robert Byrd, the minority leader, and Senator Jennings Randolph, who went to Congress during the early days of the New Deal and stayed there, accumulating seniority and influence. Federal installations of any consequence are missing from West Virginia, and in the list of states where defense dollars are spent—for military installations and defense contracts—West Virginia ranks 50th.

Although its unemployment rate is high, the state received only modest benefits from this year's $4.6 billion jobs bill, which Senator Byrd helped write. Helen Dewar of the *Washington Post* described the bill as "one of the few old-fashioned spending bills to make its way through Congress since Reagan took office," but West Virginia, with about $55 million in assistance, received little more than some congressional districts. Much of the money, Ms. Dewar explained, went for projects "in areas represented by influential lawmakers."

Despite West Virginia's dismal economy, Governor Rockefeller's political trajectory appears unchanged. Senator Randolph, recently widowed, has announced his intention to retire from the Senate, and it is Governor Rockefeller's intention to succeed him. Public confidence in his performance as governor has declined somewhat during his second term, according to newspaper polls. Even so, his great personal wealth—$98 million—and undoubted connections continue to overawe his impoverished constituents. Having little but hope to fall back on, they may be persuaded that, once in Washington, Jay Rockefeller will help.

William P. Cheshire

WILLIAM P. CHESHIRE *is editor-in-chief of the* Charleston Daily Mail.

Texas Lurches to the Left

Texas Republicanism was tall in the saddle: a senior U.S. senator; a governor, the first since Reconstruction; the prospect of two or three new congressional seats.

Then the cinch broke. In the 1982 elections the governor was thrown to the ground and the remainder of the GOP statewide slate trampled underfoot.

The party lost no congressional seats but gained none, either. Its minority delegation in the state legislature dropped three votes in the senate, one in the house.

All of which would be disconcerting enough, from the conservative standpoint, had the victors been old-line Bourbon Democrats. The case is otherwise. The 1982 elections raised to power not the Democratic conservatives but a growling, snapping pack of erstwhile underdogs. "Populists," as the Democratic liberals now call themselves, chiefly for rhetorical effect, govern Texas for the first time since the New Deal.

For Republicans the situation is both wholesome and alarming. The conservative Democratic hammerlock on state government has been pried loose at last; the Republican party is *the* conservative party in Texas. What this also signifies is that the conservative Democrats, save in local and sometimes congressional races, won't be there anymore to play philosophical backstop. If the Republicans fail, conservatism fails. As in 1982.

The liberal near-takeover of the Democratic party has been a long time in coming, but no one can say there wasn't ample warning. What made Republicanism respectable in Texas was John Tower's upset election to the U.S. Senate in 1961. What made it popular was the national Democratic party's lurch to the left during the sixties and seventies. Thousands of conservative Democrats discovered they were more conservative than they were Democratic.

As conservative Democratic plasma bled into Republican veins, the Democratic party took on more and more a liberal coloration. In 1978, for the first time since 1942, the Democrats nominated for governor a nonconservative—the ideologically flabby attorney general, John Hill, a wealthy plaintiff's lawyer with strong liberal connections. Mr. Hill defeated in the primary the lackluster conservative Democratic governor, Dolph Briscoe.

Populism has come to mean everything and nothing. Almost everybody is a populist, from Tom Hayden the semi-Marxist to Jack Kemp the supply-side Republican.

The primary tore the party asunder, and in November, Republican Bill Clements defeated Mr. Hill by 16,000 votes, giving Texas its first Republican governor since Reconstruction. (The last one, having lost both the election and the support of the Grant administration, was evicted in 1876 by the local sheriff, who instructed him: "You son-of-a-bitch, git!")

The Clements administration proved at least moderately successful. Businessmen were brought into state government, a war on drugs was launched, relations with neighboring Mexico firmed up. Mr. Clements sought to coopt such conservative Democrats as remained by appointing them, or their fellows, to state office. With a $13 million war chest, the governor should have been a shoo-in.

So what happened? First, economic setbacks. In 1982, Texas unemployment crossed the 8 percent mark for the first time since the Great Depression. This was not the fault of the recession alone but also of Mexico's economic traumas, combined with the oil glut, which seriously damaged the petroleum industry. However wrongly, much blame attached to Reaganomics.

Second, the Democratic primary, in May 1982. With conservatives operating mainly in the Republican primary or husbanding their resources for November, liberal Democrats swept the field: for attorney general, U.S. Representative Jim Mattox of Dallas; for state treasurer, Travis County commissioner and feminist Ann Richards; for agriculture commissioner, liberal activist Jim Hightower; for land commissioner, Garry Mauro, campaign manager in Bob Krueger's 1978 attempt to unseat Mr. Tower.

The Democratic gubernatorial nominee, Attorney General Mark White, was denominated a conservative in press accounts, mainly by virtue of his political connections. During the campaign Mr. White rarely said anything conservative. Indeed, toward the last he spent most of his time pummeling the utility companies for supposedly gouging their customers.

Other factors swayed the campaign to the advantage of the populists: heavy recruitment of minority voters; a sophisticated phone bank system set up by two Democratic candidates, U.S. Senator Lloyd Bentsen (running a heated race against Republican Congressman Jim Collins) and holdover Lieutenant Governor Bill Hobby; even Republican overconfidence.

On November 2, Mr. White beat Mr. Clements by 234,000 votes,

and Mr. Bentsen clobbered Mr. Collins by 560,000. The various Democrats running statewide won by approximately 600,000 votes each. The Democrats had managed to pull together labor, minority, and old-style liberals. And so populist government came to Texas.

The populist label in Texas has honorable antecedents. Here the agrarian rebellion of the late 19th century—antibank, antirailroad, profarmer, prodebtor—got much of its impetus. In James Stephen Hoss, the great populist governor of the nineties, Texas remembers an authentic political hero, rigidly honest, genuinely civic-spirited.

Populism, over the intervening 90 years, has come to mean everything and nothing. Today, almost everybody is a populist, from Tom Hayden the semi-Marxist, to Jack Kemp the supply-side Republican, to Mark White the open-ended Democrat.

A Melancholy Agenda

But neopopulism, Texas-style, has no program distinguishable from the melancholy agenda of modern liberalism. Depending on the spokesman, neopopulism means castigating "big business," usually the utilities; or supporting the feminist agenda and the nuclear freeze; or speaking feelingly about The People; or taking constant digs at Ronald Reagan.

Thus Governor White campaigned for an elective public utilities commission on the grounds that the present appointive body was truckling to the utilities, that is, permitting them rates adequate to build nuclear plants and borrow money at affordable prices. Mr. White's scheme failed to pass the legislature, but he did procure the resignation of the commission's whole membership.

Thus Attorney General Mattox, who was indicted by the Travis County grand jury in September (he allegedly threatened to destroy the bond business of a Houston law firm representing Mobil Oil Corporation in a dispute about oil royalties), blames his troubles on Mobil. "I'm going to stay after Mobil Oil and Exxon and all the big corporations that have been controlling the power structure of this state for so long," he vows.

Thus on inauguration day Governor White used giant wirecutters to clip the padlock off the door of the governor's mansion. True, there hadn't been a padlock there before, but then Mr. White had promised to knock off the lock and let The People in, so a lock had duly to be installed.

Thus Jim Hightower, the folksy-glib agriculture commissioner, denounced the Republicans for "practicing genocide on American farmers," and Governor White pronounced Reagan "bi-ignorant" on Hispanic questions.

Texas populism may not have much classic populism in it, but it does have consequences for the future. Texas's 29 electoral votes will be crucial in the 1984 elections. No Democrat has ever won the presidency without Texas. Only once in recent history—1968—has a Republican done so. Mr. Reagan, indeed, carried the state by 600,000 votes. This was with no little help from Governor Clements, who had promised in 1978 to strain every nerve in behalf of Jimmy Carter's defeat—and did so.

For 1984 the Republicans are poorly positioned and more than a little disheartened by the rout in 1982. Mr. Clements is gone. The populists are on the offensive, reaping headlines and raising money. With veteran GOP paladin John Tower retiring after four terms, there arises the additional burden of defending a Senate seat.

But the populists have problems of their own. The novel quality of their rhetoric already is wearing off. Worse, the recession is slowly winding down. Unemployment (7.6 percent statewide in August) remains formidable in Houston and along the border, next to Mexico's sickbed; but elsewhere times are much better. If the oil industry picks up—and maybe even if it doesn't—the general economic situation should work to Mr. Reagan's benefit.

John Glenn would have a better chance to wrest Texas from Mr. Reagan than any of his rivals for the Democratic presidential nomination, especially Walter Mondale.

The Republican National Convention, to be held in Dallas next August, should make Texans feel even better about the GOP. In fact, the Republicans are planning populist gambits of their own—like a gigantic preconvention party to be held not at a country club but at the State Fair of Texas, a populist institution if ever there was one.

Mr. Tower's retirement hurts, but maybe less than it seemed to at first. The almost certain winner of the Republican primary, Representative Phil Gramm, is a canny grassroots campaigner. Despite being a brilliant economist, Mr. Gramm, with his Georgia drawl, can "plain-folks" it with any Democrat. Best of all, naturally, Mr. Gramm is a sturdy conservative. His likely Democratic opponent, former ambassador and congressman Bob Krueger, is a rock-ribbed middle-of-the-roader and a dull campaigner who lost to Mr. Tower in 1978.

The Republicans are back where they were in 1978. The party, under a new state chairman, oilman George Strake of Houston, is aggressively organizing—and replying to Democratic cannonading with broadsides of its own.

So what is the prognosis for Texas populism? An extended life, possibly; conservatives, having lost the Democratic party as a whole, are unlikely to regain it as a whole. But populism will have to show more substance.

Snipping padlocks on the governor's mansion isn't precisely the same thing as rejuvenating the state economy and reforming public education and maintaining a healthy business climate and addressing oncoming water problems—these being the real, as opposed to the imaginary, issues of the day.

If the populists have discovered such issues, they haven't let on. Maybe they can't see for all the glint from Governor White's wirecutters.

William Murchison

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D'Escoto's Amigos at the Riverside Church

S. Steven Powell

Responding to a cheering crowd at the Riverside Church on October 2, 1983, Nicaragua's foreign minister, Miguel D'Escoto remarked, "I'm here among old friends." Mr. D'Escoto was kicking off a two-day conference sponsored by the Riverside Church Disarmament Program. The old friends he referred to were assorted radical and peace activists gathered to strategize and organize under the auspices of William Sloane Coffin, the church's senior minister; Cora Weiss, director of the church's disarmament program; and her husband Peter Weiss, chairman of the board of the Institute for Policy Studies (IPS).

Mr. D'Escoto won the audience's immediate approval, exhorting that "American democracy is a farce that makes absolutely no difference to the people because they continue to play musical chairs in Washington." Though he expressed pride in the motto of the fourth anniversary of the Sandinista victory, "arms to the people," Mr. D'Escoto reviled the United States for its "militaristic policies" and "repressive hideous interventionist crimes." Further, he pointed out that Nicaragua was one of the few countries that can boast that "it gives arms to all the people." Riverside applause came most thunderously when Mr. D'Escoto asserted that "no other Latin American country has moved forward toward democracy in these last four years as Nicaragua has."

William Sloane Coffin was elected senior minister at the prestigious and heavily endowed Riverside Church on New York's upper West Side in 1977. Since then, the pulpit has become a mouthpiece for IPS, a Washington-based think tank conceived in socialism and dedicated to the proposition that Third World revolution is inevitable. The IPS-Riverside association is no accident, for the Reverend Coffin was an intimate friend of Cora Weiss, the chief financier of IPS, when he brought her into Riverside to head up the disarmament program. The Reverend Coffin had seen her in action when they traveled to Hanoi together in 1972.

On an earlier trip in 1970, Mrs. Weiss set up a Committee of Liaison with Families of Servicemen detained in North Vietnam, to serve as sole conduit for mail and communications between American prisoners of war and their families. According to the 1970 annual report of the House Committee on Internal Security, the Committee of Liaison was "a propaganda tool of the North Vietnamese Government, playing upon the hopes and anxieties of the wives of American prisoners of war for communist propaganda purposes." Her husband, Peter Weiss, a prominent attorney with the National Lawyers Guild, has filed suit against the CIA and attempted to defend the terrorist Baader-Meinhof gang in West Germany.

For the Reverend Coffin, the Weisses, and their colleagues at IPS, there are no enemies on the Left. The two-day Riverside conference emphasized redoubling the network's efforts to "stop the interventionist Reagan foreign policy while there is still time" so as to allow the "Nicaraguan process of revolution without borders to continue."

For IPS and Riverside, human rights are not an issue in Cuba, Nicaragua, or other such liberated countries because these are progressive "people's democracies," whereas in El Salvador, Guatemala, and Honduras, human rights violations are a stick with which to beat the U.S. government over the head.

Mike Klare, an IPS fellow, told his conference workshop that in regard to Latin American policy, "we're dealing with a web of lies and half-truths in the Reagan administration." Another workshop focused on techniques of lobbying to influence Congress. Mrs. Weiss and IPS have been working closely with the Coalition for a New Foreign and Military Policy, the National Council of Churches, and a network of special-interest groups to lobby Congress. For instance, several months ago upon her return from Nicaragua after consulting with members of the Sandinista directorate, Mrs. Weiss sent an urgent communiqué to the network to "take the next ten days to generate letters, telephone calls, and mailgrams to Congress . . . asking them to support the Boland-Zablocki Amendment," so as to stop the covert operations against Nicaragua, challenge the thrust of the administration's Central American policy, and put further

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Clockwise from upper left: Peter Weiss; Miguel d'Escoto and the Reverend William Sloane Coffin; Tom Wicker; Cora Weiss and Miguel d'Escoto.

restrictions on overt aid. Just as the outcome of the nuclear freeze resolution was largely influenced by this same unrepresentative network of left-wing lobbies, so the Boland-Zablocki amended bill ended up being passed in the House of Representatives. Hailing this as a partial victory in the September 1983 issue of the church's newsletter, *Disarming Notes,* Mrs. Weiss then encouraged the network to mount a massive blitz lobbying effort on the Senate, with "special attention to the Senate Intelligence Committee," focusing on "Durenburger (IR–Minn.), Chafee (R–R.I.), Cohen (R–Me.), Roth (R–Del.), Moynihan (D–N.Y.), Inouye (D–Hawaii), Bentsen (D–Tx.), Huddleston (D–Ky.), and Biden (D–Del.)."

The IPS-Weiss network is a power to be reckoned with if only because of the groups' access to hundreds of millions of dollars in the Rubin Foundation, the Rockefeller endowment to Riverside, the coffers of the National and World Councils of Churches, and the dozens of foundations that fund the Left. The network also has close ties with the press.

Frank Mankiewicz, recent long-time president of National Public Radio, and Karen DeYoung, senior foreign editor at the *Washington Post,* are regular faculty members at the IPS Washington School. Last year, Cora Weiss contributed $1 million to Columbia University to establish the Samuel Rubin Program for the Advancement of Liberty and Equality through Law, which duly appointed Anthony Lewis of the *New York Times* as Samuel Rubin Fellow for the 1982–83 year. The chair is named for Mrs. Weiss's father, founder of the Fabergé cosmetics firm, who was a registered member of the Communist Party U.S.A. and a staunch supporter of the Bolshevik cause. Tom Wicker appeared at the Riverside conference after Sandinista Foreign Minister D'Escoto to recount his recent visit to Nicaragua. In good form he reported, "I didn't find any evidence at all that the problems there were a product of agitation by the Soviet Union, or Cuba or Cuban influence."

In November 1983 the Riverside Church conducted a workshop on "nonviolent direct action" in preparation for history's most massive and protracted civil disobedience exercises to be staged outside missile contractors in the United States and proposed missile sites in Europe. And in the September issue of *Disarming Notes,* Cora Weiss announced that "in cooperation with other peace groups, the Riverside Church Disarmament Program will be mobilizing thousands of Americans to oppose the deployment of new U.S. missiles in Europe in December 1983 and to work toward the goal of making Europe a 'Nuclear Free Zone.' " Of course, the problem that Cora Weiss and her IPS colleagues face is persuading the Soviets to make Eastern Europe nuclear-free as well. As for civil disobedience, the Soviets have recently demonstrated their ability to deal with that problem in Poland.

The Cure for Monetary Madness

How to Reduce Uncertainty and Risk—and Thereby Encourage Economic Growth

Allan H. Meltzer

From 1947 to 1964 the United States maintained a relatively stable monetary framework under which many countries recovered, developed, and prospered. Inflation remained low in the United States and in other nations that tied the values of their currencies—their exchange rates—to the dollar. The framework and the procedures were not ideal, but they produced greater stability than the monetary systems that preceded or followed.

The system of fixed exchange rates based on the dollar, known as the Bretton Woods system, formally ended in 1971 when President Nixon allowed the exchange value of the dollar to be set by market forces. Holders of dollars and dollar securities became less certain about the long-term value of the dollar. Long before the Bretton Woods system ended, however, uncertainty about monetary policy and the future value of the dollar had increased. Inflationary policies after 1964 had eroded much of the credibility of the U.S. commitment to a fixed exchange rate and a noninflationary monetary policy. The unwillingness of the United States to change its policies and the unwillingness of other countries to increase their rates of inflation or change their exchange rates against the dollar had doomed the Bretton Woods system.

Misplaced Nostalgia

Many people look back on Bretton Woods nostalgically. They would like to restore some type of fixed exchange system to recapture some of the stability that enabled countries to achieve the benefits they associate with that system. There are several proposals. Some want to establish a world central bank that would issue a common money to be used as reserves and for settlements between national central banks. Others propose a return to some type of gold standard.

Such proposals misinterpret the experience of Bretton Woods. Fixed exchange rates were not a cause of increased stability and the relatively high growth of the world economy during those years. They were the *result* of the relatively stable policies followed in major trading countries, particularly the monetary and fiscal policies of the United States. From 1953 to 1964, when the Bretton Woods system flourished, budget deficits remained small on average, and the most common measure of the U.S. money stock—currency and checking deposits—rose at an average annual rate of less than 2½ percent. In the succeeding seven years that ended with the breakdown of the system, average U.S. money growth rose to 5 percent, and the variability of money growth increased.

By the early 1980s, monetary variability had increased dramatically. Actual rates of money growth bear little relation to targets announced by the Federal Reserve. No one can guess whether monetary policy will produce another round of inflation, a severe deflation, or a period of disinflation. No one can be certain whether money growth will be fast or slow.

The effect of unstable monetary policy has been compounded by increasing uncertainty about the world trading system and the fiscal policies of the major Western economies. For 30 years after World War II, businesses making investment decisions could be reasonably certain that trade barriers around the world were gradually coming down. Protectionist pressures began building in the midseventies, however, and during the recent recession these pressures intensified. Recent tax cuts in the United States have led to enormous uncertainty about who will eventually pay for the mounting deficits: If future taxpayers must pay, on whom will most of the tax burden fall?

The higher risk and uncertainty are a principal reason that real interest rates have remained above their postwar norms. Greater uncertainty about the future discourages investment in real assets and encourages people to hold relatively safe assets, such as currency, insured bank deposits, and short-term debt. The attempt to shift from long-term debt, land, common stocks, and other real assets to these safer assets raises the real rate of interest on long-term debt and on real assets. In principle, the increased demand for money and short-term securities may raise or lower the real rate of interest on short-term securities. If long-term debt is a closer substitute for

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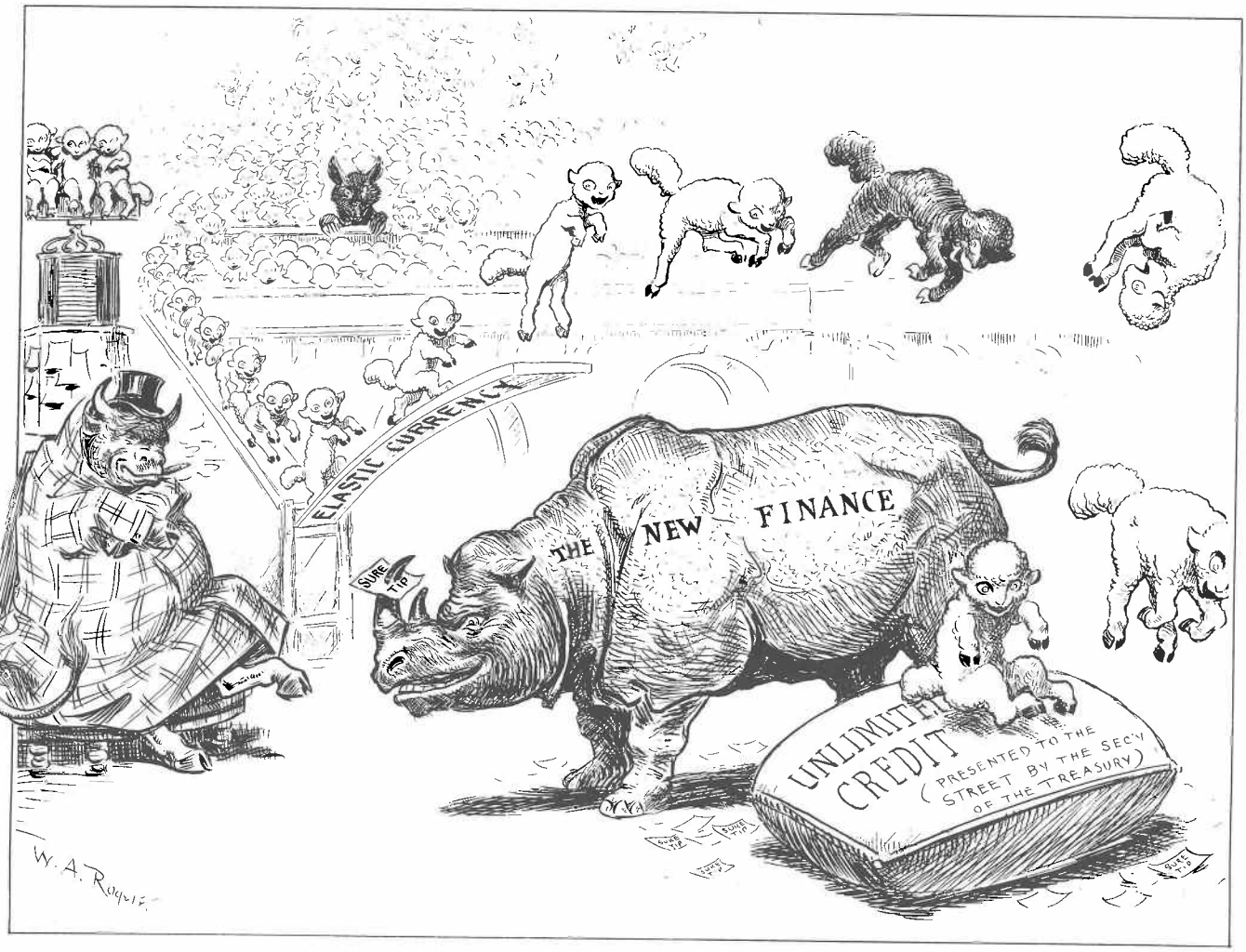

short-term debt than for money, real rates on short-term debt rise with long-term rates.

The mismanagement of monetary control by the Federal Reserve increased the variability of both money growth and interest rates after 1979. When the Federal Reserve changed its procedures and began targeting reserves instead of interest rates, quarterly averages of short- and long-term interest rates became two or three times more variable. The Fed thus heightened uncertainty. And when uncertainty increases, people reduce their holdings of risky assets like bonds and equity shares and increase their holdings of money. The reduced demand for risky assets lowered the price and raised the return received by holders. Asset prices fell and rates of return rose until holders received sufficient compensation for bearing greater uncertainty. The increased compensation takes the form of a higher risk premium on all earning assets. Despite the recent increase in equity and bond prices, risk premiums in interest rates remain at levels not experienced since the early 1930s.

Those increases in risk premiums and the demand for money help to explain several recent developments, including the rapid decline in inflation, the length of the recession, and the strength of the dollar in world markets. The increased demand for money contributed to the decline in inflation by reducing spending and prices, but it also contributed to the recession. The reduced demand for real capital helps explain the persistent stagnation of real output from 1979 through 1982 and the low rate of investment. The rise in real rates of interest attracted foreign capital and contributed to the higher exchange value of the dollar. In each case the risk premium supplemented other forces that have depressed the economy in recent years.

The Clouded Crystal Ball

Little has been done to solve the long-term problems of the economy. Uncertainty remains high. No one can possibly know what the Federal Reserve will do because the Federal Reserve has unlimited discretion and little accountability. The only monetary discipline that remains is achieved by market forces that cause an increase in interest rates or a flight from the dollar. The markets have forced the Federal Reserve to correct past errors but has not produced disciplined policies. Fiscal and trade policies are just as uncertain. Who knows what tax rates will be in two or three years?

What is needed now is a new set of monetary, fiscal, and trade policy rules to reduce uncertainty and encourage the stable growth and relatively low interest rates of

the fifties and sixties. Rules that increase stability are not difficult to write.

To restore monetary stability, I propose that the central banks and governments of the United States, Japan, West Germany, and the United Kingdom maintain the growth rate of their monetary liabilities, known as the monetary base—currency and bank reserves—in relation to the average rate of growth of domestic output (measured in real terms) during the preceding three years. The relation would allow for the trend rate of growth in the demand for money relative to output and would be set to maintain an average rate of 0 percent inflation in each country. Other countries could make similar commitments, or fix their exchange rates in relation to one of the four currencies, or remain outside the system.

When the savings rate is too low to finance a large deficit without a substantial increase in interest rates and when paying the interest on outstanding debts becomes a burden, governments typically rely on inflation to reduce the debt and tax the wealthy.

Price levels would continue to fluctuate in the four nations, and exchange rates between the dollar, the yen, the mark, and the pound would vary. Fluctuations would remain bounded by the commitment of these major trading countries to maintain policies that aim at noninflationary money growth. Each country would gain from its own policy even if other countries did not honor theirs. The gain to participants would increase, however, as the number of nations honoring the agreement rose.

The proposal increases stability in five main ways. First, there is a stable framework for policy that reduces uncertainty about the future price level. Second, although exchange rates are free to fluctuate, long-term changes are constrained by the commitment to noninflationary and nondeflationary policies. Third, the system adjusts gradually to changes in output or money demand. Fluctuations in output or prices are not eliminated, but they do not cumulate. Fourth, monitoring is relatively easy, so the credibility problem is reduced. Fifth, instead of basing policies on uncertain forecasts, central banks would be required to control the liabilities on their own balance sheets, a task that is within their capability and can be achieved with precision.

A stable monetary framework encourages people to hold a smaller share of wealth in precautionary balances and to invest a larger share in capital. By reducing present uncertainties, the monetary system would contribute to lower real interest rates, a larger capital stock, and increased output.

The monetary framework should be supplemented by rules that strengthen trade in capital and reduce the risk of exchange controls. People choose to own foreign currencies and invest in foreign assets because they perceive risks at home. Restrictions on capital movements that attempt to block the operation of this mechanism encourage people to diversify into short-term foreign assets or diamonds and precious metals. This reduces investment in long-term capital and lowers real output.

Governments can contribute to the expansion of the world economy by reaffirming their commitment to the rules guiding trade policies during the last three decades and by reducing many of the remaining restrictions on trade and capital movements. By removing barriers to trade and capital, the principal market economies of the world can increase output and raise standards of living. The expansion of international trade is one of the main ways that permanent gains in everyone's living standards can be achieved.

Yet rules for money, trade, and capital movements cannot assure that resources are used efficiently. Government tax and spending policies in many countries encourage the transfer of resources from future to current consumption. Variable fiscal policies that increase uncertainty about future tax rates on labor and capital also encourage current consumption and leisure.

Robbing Peter

Budget deficits are one such factor. Deficits must be financed either by increasing tax revenues or by selling debt to savers. But when the savings rate is too low to finance a large deficit without a substantial increase in interest rates and when paying the interest on outstanding debt becomes a burden, governments typically rely on inflation to reduce the real value of the debt and to tax the owners of wealth.

A fiscal policy that fixed the relative size of government or the relative growth of government would increase certainty about future tax rates. The growth of government spending could be tied to the average growth of nominal output, for example, and tax collections could be tied to the average level of government spending. A rule of this type would produce a cyclically balanced budget and more predictable average tax rates.

In the two decades that followed World War II, real per capita income probably increased at a higher rate in more countries and for more people than at any other time in recorded history. The progress of the fifties and sixties continued in the seventies. Estimates by the World Bank show that between 1970 and 1977, nearly 50 percent of the world's population lived in countries that experienced increases in real per capita incomes of 4 percent or more. But somewhere around 1977—before Reaganomics and Thatcherism—the world economy began to stagnate as a result of greater monetary, fiscal, and trade uncertainty. This uncertainty can never be fully eliminated, but it must be considerably reduced before the world economy can return to the real growth rates of the fifties and sixties.

Department of Disinformation

Deficit Editorializing

"The deficit has climbed from $58 billion in the last Carter year to an unprecedented $200 billion in the fiscal year just ended. Three factors account for most of it, all traceable to [Ronald Reagan]—defense spending, tax cuts and, above all, the recession. . . . The dominant cause of the recession was tight money and high interest rates—engineered by the Federal Reserve System with the Reagan team's full support."

New York Times editorial
October 15, 1983

The budget deficit cannot be blamed on the Reagan tax cut because there has been virtually no tax cut for most Americans. From fiscal year 1981 through 1988, the Economic Recovery Tax Act reduced taxes by $1.138 trillion, according to the Treasury. But bracket creep, Social Security tax increases, the Tax Equity and Fiscal Responsibility Act of 1982, and the 1982 gasoline tax increased taxes by $1.061 trillion. The net tax cut is only $77 billion, or less than $10 billion a year over eight years.

The cause of the deficit is not a revenue shortfall. Federal revenues averaged 19 percent of gross national product from 1975 to 1979; that figure will rise to an average 19.7 percent of GNP from 1983 to 1988. There is only a slight reduction in the tax burden from the record 20.9 percent of GNP reached in 1981. More tax cuts, in fact, will have to be enacted by Congress to reach the 1964–74 average of 18.7 percent of GNP. That was a period in which the United States enjoyed vigorous economic growth.

The deficit is a result of surging government spending, which has increased from an average of 22.1 percent of GNP in 1975–79 to a projected 24.8 percent in 1983–88. The *Times* editorial blamed President Reagan's defense hikes, up $90 billion from Mr. Carter's last year in office. One could just as easily have pointed to Mr. Reagan's $130 billion increase in payments to individuals as a cause of the deficit. In fact, Mr. Carter's projected 1984 defense budget outlays were only about $15 billion less than Mr. Reagan's planned 1984 defense expenditures.

The editorial rightly suggests that the recession is a major cause of the deficit. This factor, along with lower than expected inflation, which dramatically reduces government revenues, probably accounts for about four fifths of the 1986 deficit. Blaming tight money for the recession, however, is like blaming Alcoholics Anonymous for hangovers. Tight money was the necessary correction for the runaway inflation of the late 1970s. The roots of the U.S. recession and the deficit, therefore, can ultimately be traced to an inflation Mr. Reagan inherited from his predecessor.

Thomas M. Humbert

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West Bank Settlements Legal

On March 15, 1983, a headline in the *New York Times* read, "West Bank Settlements Are Illegal, Carter Says." Whether its source is a past president of the United States, an ambassador to United Nations, a Palestinian spokesman, or a reporter for the popular press, we hear this refrain over and over again. However, the assertion that West Bank settlements have been illegal is simply not true.

Before 1967 the state of Jordan owned about one third of the land in the West Bank. The remaining two thirds was privately held. Since the Six-Day War, Israel has occupied the West Bank and has placed controversial settlements there. Contrary to popular opinion, these settlements are legal.

The settlements' legality stems from the Hague Regulations (Regulations Respecting Laws and Customs of War on Land, Annex to the Convention Concerning the Laws and Customs of War on Land, 1907). Article 55 allows for the settlement of public lands by a foreign occupier, and Article 46 prohibits the settlement of privately owned lands. Israel, in accordance with the Hague Regulations, has strictly limited its settlements to public lands, those formerly owned by the state of Jordan. Lands that were privately held prior to 1967 have not been confiscated by Israel.

Even though Israel has not touched any of the Palestinians' private property, the Palestinians are upset because the new Israeli settlements—on what was public land owned by Jordan—have legally taken away the Palestinians' commons. These commons, even though not privately owned, were important to Palestinian land owners because the commons were used in conjunction with privately held lands. For example, many Palestinians would graze their sheep and goats on commons owned by the state of Jordan, thus increasing the effective capacity of their private holdings. The failure to draw a distinction between the rights attached to public lands and those attached to private property—as does international law—has continued to keep tempers hot and misinformation flowing from the West Bank.

International law and events in the West Bank reveal an important lesson for the United States. If the United States were ever to be occupied, over 40 percent of the nation's lands—those that are publicly owned—could be legally settled by the occupier. Only 60 percent of the United States, that which is privately owned, would be secure from foreign occupation under international law.

Steve H. Hanke

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Nicaragua Rebutted

Speaking to the French daily newspaper *Liberation* on September 23, 1983, Nicaraguan Interior Minister Tomas Borge repeated earlier denials that his government had sent arms to leftist insurgents in neighboring El Salvador. A large part of the American media accepts this and similar denials. Tom Wicker, writing in the *New York Times* on October 3, 1983, is typical of many journalists when he dismisses accusations that Nicaragua is supplying arms by saying, "The Reagan administration has produced no proof of this."

I beg to differ. The evidence of Nicaraguan support for the Marxist-Leninist rebels of El Salvador is conclusive. The most visible evidence of Nicaraguan complicity is a radio-equipped warehouse and boat facility in the Gulf of Fonseca, between Nicaragua and El Salvador. This base served for three years as a transshipment point for smuggling arms, according to *Miami Herald* reporter Sam Dillon in a dispatch printed in the *Washington Post* on September 21, 1983. A recent attack by anti-Sandinista guerrillas has temporarily closed the facility. Miguel Bolanos Hunter, until last spring a Nicaraguan intelligence officer, provides further evidence that the Sandinistas are exporting revolution. He says, "Routes [for transporting arms] have gone through Honduras . . . and along the Pacific coast of El Salvador. Recently, aircraft small enough to land on highways [have dropped] 30 to 40 rifles at a time."

Alex Dresher, a reporter for the *San Diego Union,* while on assignment in rebel-held territory in March 1981, was told by a Salvadoran guerrilla that "the guerrillas have a permanent commission in Nicaragua overseeing the smuggling of weapons from that country to here."

Finally, what better evidence is there than the offer by the Sandinista leadership to stop supplying weapons in return for an end to American assistance to the government of El Salvador and Nicaragua guerrillas? The weight of evidence is clearly on the side of the administration and justifies its efforts to bolster El Salvador's beleaguered democracy.

Edward A. Lynch

EDWARD A. LYNCH *is a policy analyst for Latin American affairs at The Heritage Foundation.*

Franklin Delano Hoover

On June 28, 1983, John F. Seiberling (D–Ohio) told his colleagues in the House why he decided to become a Democrat rather than follow his family's Republican tradition:

"Well, I grew up in the 1930s," he said, "and I saw the answer of the Hoover administration to unemployment. On every street corner there was a man trying to sell apples, and the slogan was, 'Help the unemployed. Buy apples.'

"And along came President Roosevelt and put Americans back to work. And he proved unemployment was not necessary, that it was possible to give people a good, decent standard of living.

"And I say to the same kind of thinking that we were coping with 50 years ago in this country that we can do it again, but we are not going to do it unless we change the policies that are being followed by this administration."

There is only one problem with Mr. Seiberling's statement. It has no basis in fact.

When Franklin Roosevelt was first elected in 1932, unemployment stood at 24.1 percent. Then there was the famous first hundred days when his administration, with the approval of Congress, put into place all the programs of the New Deal. Roosevelt delivered countless speeches on how he was giving Americans jobs. And so the myth began: The Democratic party was the party of jobs, and the Republican party was the party of austerity and knownothingism.

But the fact is, Americans weren't much better off in 1938, after five years of Roosevelt's New Deal, than they were in 1932 under Herbert Hoover. Unemployment in 1938 still stood at a whopping 19.1 percent with no relief in sight. Relief for the jobless did not come until industry revved up for the war. By 1944 unemployment stood at 1.2 percent.

Roosevelt's success most definitely lay not in his programs but in his charm and style. He gave Americans a sense that he was doing something for them even if, in fact, he wasn't. Roosevelt's New Deal, in the final analysis, was rescued by the war.

Compare this record with the booming peacetime recovery under President Reagan. From December 1982 to September 1983, total employment rose by 2.9 million—an average of 300,000 new jobs per month.

Benjamin Hart

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Elliott Abrams for Human Rights

A Conservative Philosophy for Advancing the Cause of Freedom

Adam Meyerson

"I have only one purpose, the destruction of Hitler, and my life is much simplified thereby. If Hitler invaded Hell, I would make at least a favourable reference to the Devil in the House of Commons." So wrote Winston Churchill in June 1941 to explain why he rushed to the support of Soviet Russia after it was invaded by its Nazi ally. To defeat Nazi Germany, then the world's most expansionist totalitarian force, Churchill felt compelled to succor the tyranny of Joseph Stalin, a regime that had slaughtered 20 million of its own subjects. Franklin Roosevelt made the same grisly calculation, and by the end of the war the United States had furnished Stalin with $9.5 billion in aid.

Today, Stalin's heirs in the Kremlin have replaced the Nazis as the world's most expansionist totalitarian power. And to stop the worldwide advance of Soviet military might, the United States must often come to the support of anti-Soviet regimes around the globe, even if they don't fully share our commitment to democracy and individual liberties. From South Korea to South Africa, from the Philippines to Guatemala, from Haiti to Saudi Arabia, the United States finds itself publicly identified with authoritarian regimes, some of them quite harsh.

There is no need to feel guilty about supporting such regimes, just as there was no need to feel guilty about supporting the butchery of Stalin during World War II: Our support is based on a practical calculation of how best to fight the most aggressive threat to human rights in the world, and it is by no means an endorsement of everything our allies do.

But support for authoritarian governments does raise practical problems for a nation like the United States that takes seriously its ideals of liberty, democracy, and respect for individual dignity. How can we best encourage democracy and freedom in authoritarian governments without undermining their political stability?

Elliott Abrams, assistant secretary of state for human rights and humanitarian affairs, has been developing a framework for practical thinking about such questions. He has been the Reagan administration's point man both in defending aid to authoritarian regimes before a hostile Congress and human rights community, and in framing policies for quietly pressuring these regimes to make human rights improvements. Most important, he has been articulating a conservative human rights philosophy that includes, but goes beyond, the fundamental need to stop the spread of Soviet tyranny.

Mr. Abrams's framework begins with the centrality of human rights. Formerly special counsel to the late Senator Henry Jackson and then chief of staff for Senator Daniel Patrick Moynihan, he has brought to the Republican party from the Jackson-Moynihan wing of the Democratic party a belief that "America's greatest weapon in the struggle with the Soviets is that we are free and represent the cause of freedom." In his introduction to the State Department's 1982 *Human Rights Report,* he wrote that "human rights is at the core of American foreign policy because it is central to America's conception of itself. This nation did not 'develop.' It was *created* in order to make real a specific political vision. It follows that 'human rights' is not something added on to our foreign policy, but its ultimate purpose: the preservation and promotion of liberty in the world."

A More Positive Role

In a recent interview, Mr. Abrams distinguished this Jackson-Moynihan view of human rights from the human rights policy associated with the Carter administration, particularly with UN Ambassador Andrew Young and Patricia Derian, Mr. Abrams's predecessor at State. "Our view, which identifies the cause of freedom with the United States, sees the advancement of human rights as the justification for a strong, active, assertive American foreign policy. The Carter administration view, a product of the anti–Vietnam War movement, is based on a feeling of American immorality, a feeling that America is likely to play a negative role on the world stage and that the less foreign policy we have, the better. Human rights policy in this view is primarily a restraint on American foreign policy. It leads to a limitation on American intercourse with a country like the Philippines or South Korea anytime there are human rights abuses. In

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our view, by contrast, a deeper American involvement might help."

"As to the question of tactics," Mr. Abrams has written, "the Reagan administration's test is effectiveness. With friendly countries, we prefer to use diplomacy, not public pronouncements. We seek not to isolate them for their injustices and thereby render ourselves ineffective, but to use our influence to effect desirable change. Our aim is to achieve results, not to make self-satisfying but ineffective gestures."

Recently asked to cite some successes of quiet diplomacy, Mr. Abrams said, "The release of political prisoners in South Korea, as a manifestation of a greater feeling of security on the part of the government, is an example of what a warmer relationship with us can bring. The virtual elimination of banning in South Africa—the total number of people banned has fallen from 154 to 11—is something one might attribute to a greater concern about American opinion. Recently, for the first time, several police officers in South Africa have been criminally charged for abuse of prisoners. But is that because of quiet diplomacy? One can never prove that because you cannot demonstrate cause and effect. In any case, the big successes by definition cannot be put on the public record for a period of years." Mr. Abrams added that he had come to recognize one weakness in quiet diplomacy: "It does not deal with the problem of maintaining the morale of democratic forces in a dictatorship. Even if we manage to get two or three people out of jail, the fact that they have been arrested can be demoralizing to the democrats in that country, and our failure to speak out as loudly as we might, because we are in the midst of back-room negotiations to get them released, is a problem. That argues for speaking out on occasion to give the forces of liberty the boost in morale they need."

Mr. Abrams argues that seeking democratization and liberalization of authoritarian governments is a "pragmatic," not a "utopian," goal for the United States. "Our most stable, reliable allies are democracies," he has written, and in a recent interview he said that "in many countries there is a national security argument for liberalization. We are urging a number of governments in the Third World to open up their political systems, not because Congress will like it and we will give them an extra $10 million, but because liberalization is in their interests. The argument—and I would make it for South Korea as well as the Philippines before the Aquino murder—is that if you allow the democratic opposition to play some role in the system, your country will be more stable rather than less so."

As examples of the dangers of insufficient liberalization, he cites the downfalls of the Shah and Somoza. "At least one lesson is that we don't always have the luxury of choosing between good and bad. Sometimes we are forced to choose between bad and worse. Over the long run, what we should have done in Somoza's Nicaragua was to pressure him to behave better, as we do now in a wide variety of countries. We should have tried to support a large and vibrant middle class, we should have tried to keep pluralistic institutions alive. For a long time in Nicaragua, the United States didn't sufficiently help the center. I think that the same is probably true in Iran."

However, Mr. Abrams argues that American encouragement of liberalization in authoritarian regimes should be subject to three important qualifications.

An End to Moral Posturing

The first is that it is important for Americans to have some humility in telling the leaders of a government what is best for them. "Liberalization for purposes of letting out steam always involves line drawing. How much steam should you let out? At what point do you risk anarchy and destabilizing the regime? When a competent ruler such as Pakistan's Zia tells us, 'I know Pakistan better than you do and I draw the line here, and the fact that you are drawing the line there shows that you don't know Pakistan well,' we have to recognize that it takes a hell of a knowledge of Pakistan to be willing to insist in each and every case that we are right and he is wrong. The line between progress and anarchy is hard for anyone to draw. It's especially hard for us, as foreigners."

Second, it is essential to realize that "the line drawn varies from country to country. This is where we get in the biggest argument with many human rights groups, who insist that the process of line drawing is a fundamentally unacceptable process because it puts us in the position of letting some countries get away with human rights violations. But I think that is an unrealistic view of the world. One can ask a great deal of the Philippines because it has proven itself capable of sustaining a democracy over a long period of time. And one can hope that there will be a democracy again in Chile. It is much harder to have immediate expectations about a country like Burma or Zaire, without any democratic traditions."

Third, as Mr. Abrams put it to the Council on Foreign Relations, "a crucial question we need to ask about every government that abuses human rights is what the alternatives are. Surely this is one lesson we can draw from Vietnam. Just as the opposition in Vietnam consisted of a number of non-Communist elements, so it does in El Salvador; yet we are persuaded that should the Left come to power, there can be no doubt that the armed elements tied closely to the Soviet Union—and hawking the Soviet propaganda line on all international issues—would in fact take over. We think that Soviet power and communism are relevant for two reasons: first, because even a highly imperfect regime may well give a much better prospect of democratization than would the Communist regime that might follow it. It is therefore no contribution to the cause of human rights to replace a regime we can work with and improve, with a Communist regime. And secondly, we know from the cases of Cuba, Nicaragua, and Vietnam that Communist regimes tied to the Soviet Union will not only oppress their own people but will try to export oppression to their neighbors. . . . In the real world the choice is frequently not between good and bad but between bad and worse, or perhaps more accurately, bad but improvable, and worse and permanent. To prevent virtually any country from being taken over by a Communist regime tied to the Soviet Union is in our view a very real victory for the cause of human rights."

What Do Women Want?

The Three Reasons for Ronald Reagan's Gender Gap

Rachel Flick

Contrary to some suggestions from the Right, Ronald Reagan confronts a gender gap that cannot be wished away. Until 1980 men and women voted almost exactly alike, but when Mr. Reagan ran for president, the genders abruptly diverged at the polls. Mr. Reagan won a landslide victory among men—he had a margin of 20 points—but women divided their votes equally between him and Jimmy Carter. Modestly but undeniably, the gender gap reappeared in 1982, with men favoring Republicans and women favoring Democrats by as much as 6 percent each. By June 1983 the gap had widened again—by some estimates, to as wide as 25 points. Although millions of women are still Republicans, and millions of men are still Democrats, campaign strategists can no longer altogether ignore the sex of their voters.

The gender gap does not result, as some women's groups maintain, from Mr. Reagan's positions on the Equal Rights Amendment and abortion. According to Kathleen Frankovic, director of surveys for "CBS News," 55 percent of men and 53 percent of women supported the ERA in 1982. Similarly, polls reveal little difference of opinion between men and women on abortion. It is possible that women are more likely than men to vote on the basis of these preferences, but exit polls do not indicate that they have done so.

Rather, the gap results from three other sources of female dissatisfaction with Ronald Reagan. Two have to do with women's perceived economic interests. The third, and most consequential, involves what might be called women's point of view.

Women are disproportionately the welfare-dependent poor, a population that has long been disproportionately Democratic (logically enough, as the Democrats stand for higher benefits). The preponderance of women in this economic group is not new, so in itself it cannot be linked to the sudden appearance of the gender gap. What are new and can be linked, however, are the ages and circumstances of the female aid recipient.

A significant number of America's poor women have always been aged, and their seniority has somewhat moderated the Democratic tendencies inspired by their poverty. The old are more conservative than the young, and poor old women are more conservative than poor young women. Today, though, these voters—who would otherwise be a natural constituency for Mr. Reagan—have turned away from Republicanism because they fear that the president will cut their Social Security benefits.

What's more, fewer of today's poor women are old. An increasing percentage of the female poor are young, unmarried, and caring for dependent children—three characteristics that propel them toward welfare dependency and hence toward the Democratic party. Recipients of federal aid have long been women, and Republicans have never had many of their votes, but the changing composition of this income group, combined with the incendiary issue of Social Security, may well have reduced the GOP's total support among the poor.

Disaffection

The Democratic votes of low-income women thus account for some of the gender gap. But they do not account for all of it. There are simply too few poor voters to make a difference in the final tally. Probably a more significant group of disaffected women comprises workers in "human services"—such fields as health care, social services, and education.

An unwavering theme of the Reagan presidency has been the need to tighten up on that part of the work force that depends on public money. An enormous percentage of America's human services jobs fall into this category, by being directly governmental, dependent on federal demand-inducing programs (such as Medicare and Medicaid), or dependent on federal bloc grants. And seven of every ten of the workers who fill these jobs are women.

In 1980 nearly one third of the 41 million women at work were employed in human services; only 11 percent of men in the work force were so employed. Between 1969 and 1980 social welfare created jobs for 40 percent of the women entering the work force, but only 20 percent of male entrants. The Reagan cutbacks have therefore had a disproportionate impact on women's career

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Demonstration at the UN headquarters
1961

prospects. Poverty, health, and education programs supply jobs to a great many people. It is not surprising that human services workers are overwhelmingly hostile to an administration that sees the problems that employ them in a new light and has declared its intention radically to change the system now in place to redress those problems.

It is thus clear that the economic interests of two heavily female groups lie with the Democrats—the interests of those who receive federal aid and of those who dispense it. But the data make it hard to believe that women dislike Mr. Reagan exclusively for reasons of economic interest. He is disproportionately opposed by women who are neither poor nor publicly employed, and they oppose him on issues having only remotely to do with their economic interests. The gender gap has also been molded by a subjective force.

In particular, women appear to be more concerned than men about the "fairness" of the Reagan program—a concern measured in surveys by asking whether Mr. Reagan "helps the rich and hurts the poor." Second, women appear to be more averse to risk; women and men divide over those issues where one point of view would incur a hazard in the hope of a possible gain.

Unpersuaded

The survey data on the economy illustrate those concerns. Two kinds of questions are asked about Mr. Reagan's economic program. One assesses how well the respondent thinks it is working, and the other concerns its fairness. Women respond more negatively than men to both types of questions. By June only 23 percent of men still doubted that real recovery was under way, but 36 percent of women remained unpersuaded. Women believed much more strongly than men that Mr. Reagan should have done more to end the recession sooner. And

whereas men were emphatic (61 to 34 percent) that he had not done enough to reduce unemployment, women were more emphatic still (71 to 21 percent). Since female unemployment has been lower than male unemployment, those figures suggest that women are concerned about the joblessness of others as well as about their own situations.

Every time they are asked, by every index they are requested to consider, women express worry and disapproval of the American economy under Mr. Reagan.

One of the widest gaps is on fear that Mr. Reagan will get the country into a war. A year ago Ms. Frankovic found the biggest split of all to be on this issue, across age, education, and household status. At one point she found half of all women believing we would have a war under Mr. Reagan and men disbelieving this two to one. She found a significant split, too, on the question that tests "willingness to be more aggressive in foreign policy, even at the risk of war."

More recently, in June of 1983, the *New York Times*/CBS poll found that 31 percent of men feared that there would be a war under Mr. Reagan, compared with 47 percent of women. In fact, it found a military gender gap down the line. Forty-one percent of men but only 28 percent of women thought Mr. Reagan had "done enough" to "reach an agreement to reduce nuclear weapons." Forty-three percent of men thought "Reagan's policies have brought the United States more respect in the Soviet Union, Europe, and Central America," compared with 27 percent of women.

Alarmed

One possible explanation for these data is that women do not understand Mr. Reagan's style of negotiation as well as men do. Mr. Reagan's foreign strategy has relied considerably more on strength and intimidation than that of his recent predecessors; we now have a president who is willing to shoot down Libyan jets and send gunboats into the Caribbean. Mr. Reagan has tried to use toughness to win concessions. He has called a few bluffs. He has taken risks in the hope of advancing U.S. interests. The polls reveal that a significant number of men accept this policy but that women are both alarmed by it and unpersuaded that it works. Perhaps women simply do not understand what Mr. Reagan is doing abroad.

It is also possible that they do not think the chance of a gain justifies the risk of violent disturbance; it is possible that women are simply averse to short-term risk. Threatening shifts in the global balance of power represent a long-term risk and diffuse injury, compared with war, which represents pressing uncertainty and immediate hardship and loss.

The idea of risk aversion could shed some light, too, on other gender gap statistics. It might well explain, for example, the greater proclivity of women to environmentalism. And it might explain the perplexing extent to which the gap is centered on Ronald Reagan.

Although the gap affects all Republicans, and though to a degree it focuses on issues, it is widest with respect to Ronald Reagan. Several pollsters, in fact, speculate that its effect on other Republicans may only be spillover. Ms. Frankovic claims that a gender gap shows up every time Mr. Reagan's name is mentioned in a survey question. *Public Opinion* magazine speculates that the reason why the gap was smaller in the 1982 elections than in 1980 is that Mr. Reagan wasn't running.

The Reagan administration arouses both strong support and strong opposition. Under Mr. Reagan's tenure, marginality favors the Democrats. The majority of those 1982 voters who thought both parties or neither party contributed to the recession cast their ballots Democratic, as did those who picked their candidates in the last three weeks of the campaign. (In 1980, by contrast, late deciders went Republican.) Those consistently opposed to Mr. Reagan decided early and voted heavily against all Republicans. In the Reagan era, both Republican and anti-Republican votes are strongly felt; swing votes go Democratic.

What this strength of feeling seems to indicate is that America perceives Mr. Reagan as a very powerful agent. Perhaps the principal thing the Reagan administration has stood for is radical change, both ideological and institutional. Mr. Reagan represents conservative values, of course, but where the status quo is liberal, conservatism is a daring moral assertion. And in his first two years of office he attempted the most fundamental reversal of direction in the American system in the last 50 years. There is no way that a risk-averse voter would *not* dig in her heels against such a politician.

Moreover, the conservative ideology for which Mr. Reagan stands celebrates risk. He has tried to return America to the time when the individual had real opportunity but also bore a real responsibility for himself and his family.

By opposing Mr. Reagan, women have expressed their concern about the suffering of poverty and their anxiety to avoid the hazards incurred in war. But it is not reasonable to conclude from this that masculine support for Mr. Reagan means men are willing to toil in penury or be incinerated in a nuclear blast. It is more reasonable to assume that men are quiescent on these issues under Mr. Reagan's leadership because they are satisfied that he has taken care of them. The gap reveals that the genders differ in style and approach, but it need not be taken to mean that they ultimately want radically different things. Rather, the genders divide on the president's means, which are a broad economic redirection and gunboats off Nicaragua, and on his terms, which are entrepreneurship, economic growth, and "peace through strength." These means and terms require no explanation to men, but large numbers of women have not understood what ends they are intended to serve.

In government, means and terms are obviously everything. Mr. Reagan's gunboats and entrepreneurialism and all that they represent about what America ought to be are the very reason he is in office. Beyond a certain point, he cannot explain his programs in the language of pacifism and compassion without misrepresenting and ultimately undercutting them. It would make no sense for him to reassure women about his ends by abandoning the approach for which he stands. He can reassure them only by going further to explain his own terms.

A Cheap Way to Feel Good about Feeling Lousy about America

Daniel, *directed by Sidney Lumet (Paramount Pictures).*

Most American Communists, Whittaker Chambers observed in *Witness,* were not flamboyant people. They were not, like John Reed, romantics who made up for mediocre writing abilities by an adventurous outlook on life; on the contrary, they were rather humdrum sorts with a rather narrow view of what life had to, or even ought to, offer. They were the kind of people who worked the bureaucracies of state agencies, did not read surrealist poetry, bought reproductions of perfectly ordinary pictures, shopped at Macy's, not Saks, and were, in short, tacky.

Like most people, Chambers added, Communist party members required faith. This was Chambers's great insight and the cause of the mistrust he provoked among liberal anti-Communists in the fifties, as well as the admiration he evoked among traditionalists like William F. Buckley, Jr. What was really at issue—Chambers was convinced of this—was not so much a political system as man's soul, and communism must be opposed not by liberalism but by Christianity. For he saw that the Communists, at least the American Communists whom he knew, were above everything else believers.

You can carry on back and forth as to the accuracy of Whittaker Chambers's insight, its applicability to Communists outside the United States, and any number of other issues that it raises. But I think it is very likely that a large number of Communists were people such as Chambers claimed he knew in the party, ordinary people with a big emptiness in their souls, which they filled by believing in the Soviet Union, the working class, the revolution, or whatever the party might refer to at a given moment as the central tenet of its creed. And this spiritual atmosphere is absolutely crucial to understanding one of the most famous judicial cases in American history, the Rosenberg espionage conspiracy, and all subsequent comment upon it, including Sidney Lumet's new film, *Daniel.* The film opened in September and has been enjoying a feeble run at the box office—and causing a good deal of impassioned controversy among the critics.

Julius and Ethel Rosenberg were tried, convicted, and, after appeals all the way up to the Supreme Court, executed for conspiracy to commit espionage on behalf of the Soviet Union. The trial took place in 1951, the execution two years later. The alleged goal of their conspiracy was the secret of the atomic bomb, and the principal witness against them was one of their alleged coconspirators, Ethel's younger brother David Greenglass (who drew a long sentence in his own trial). A third codefendant, Morton Sobell, was given 30 years.

Scapegoats or Spies?

This case has been the object of a great amount of controversy and has given rise to a substantial literature. Legal critics of the case, such as Louis Nizer, have agreed, in general, that the trial was fair. Historians of the case have also agreed that the trial was fair, as far as judicial procedure goes, but have been divided over the more fundamental question of whether it was possible to get a fair trial, in the deeper sense, in 1951, when the United States was at war in Korea and had recently lost its nuclear monopoly. A rapidly dwindling pro-Rosenberg faction is convinced that the FBI framed innocent people because the government needed scapegoats to get away with its imperialistic, anti-Soviet foreign policy (otherwise known as the Cold War). The anti-Rosenbergians are convinced that there really was a spy ring coordinated by Julius Rosenberg, indeed an effective one, which aided the Soviets. This side has just been given a boost by *The Rosenberg Files,* a new book by Ronald Radosh and Joyce Milton, who obtained previously unreleased government files, expecting to prove the Rosenbergs innocent but instead concluding that Julius was guilty and Ethel was aware of what he was doing.

The Rosenbergs' own insistence, to the very end, that they were innocent has been crucial to the mythology that surrounds them. That they were young parents, that the sentence was harsh, that the whole affair was depressing and gruesome—no doubt, all this contributed to making them popular martyrs for the Left, both Communist and non-Communist. But it was their "We are innocent" that was the most important thing, that led people to identify with them. Somewhere, despite the horrors of Stalinism and every other revolutionary Eldorado—or rather, precisely because of them—somewhere in his soul the revolutionary true believer must believe that he is right: "We are innocent." You can show the trial to have been fair, you can prove there was indeed a spy ring under Soviet control, still they meant to do the right thing: "We are innocent." If they had confessed, what good would they have been once the Soviet Union lost its charm—as, over the years, it did even to members of the

party? They would merely have been Soviet spies. But they died saying they were innocent, and so for every old ex-leftist, every jaded ex–fellow traveler, the Rosenbergs' innocence became an article of faith. Perhaps the last one.

One of the reasons for the 30-year insistence by the Rosenbergians that there was a government frame-up is that—this is one of the Left's many dirty little secrets—the Communist party did very little to help the Rosenbergs. In fact, there is good reason to believe they were far more valuable to the party dead than alive. Their party-connected lawyer, Emanuel Bloch, defended them poorly, and during the last stages of the appeals process he went so far as to try to prevent friendly lawyers from making new procedural arguments. The party and its press paid little attention to the Rosenbergs during their trial, as it felt it would be bad publicity to be connected to alleged Soviet spies. But as soon as they were on death row, the Rosenbergs became a valuable propaganda commodity to the party, in the United States and throughout Europe. Big campaigns were organized—the one in France was particularly successful—around the theme that the United States was in the grip of an anti-Semitic, Fascist hysteria and would crush any who opposed its bellicose foreign policy. From the party's point of view, with alarming purges of Jewish Communists taking place in Czechoslovakia and elsewhere in the bloc, the case provided a welcome diversion.

That, in bare outline, is the Rosenberg story. It is a dramatic story, obviously, in some sense even a tragic one. For what is clear is that the Rosenbergs, even if one sees them as traitors, were victims of forces much larger than themselves. They were simple, ordinary people from the Lower East Side who needed something to believe in. Julius had thought, in adolescence, of becoming a rabbi. Ethel wanted to be an actress. The Communist party gave them a faith and a stage on which to act out their beliefs. It caused them, through its Soviet master, to do incalculable damage to their country, and then it exploited them for all the propaganda value they were worth. This could indeed make a poignant story. They left two little boys and told them that they were right and that their country, the country the children would have to grow up in, was wrong.

Coverup

Out of this material, interesting tales could be told, and not just biographies and histories and legal critiques. What has happened, however, is that talented filmmaker Sidney Lumet (*The Verdict, Prince of the City, Network,* and many other films) has taken an atrociously bad novel, *The Book of Daniel* by E. L. Doctorow (best known for *Ragtime*), and transformed it into a film that seems to be more interested in covering up a story than in telling one.

Although the references to the Rosenberg case in *Daniel* are many, Lumet claims to have made a film without political content. It is supposed to be only about a son's search for his parents. There is a small problem, though, in that the parents in question (called Isaacson in the film) are up to their eyeballs in political idealism. Even on its own terms, however, the story flops because the Daniel in *Daniel* fails to determine whether his parents were indeed framed. This question, and his sister's anger at him for pretending not to care about the family history, is what sets him on his quest. Nor does he understand the motivation of their political choices. With such basic questions left unanswered, Daniel's own personal and political transformations over the course of the story are thoroughly incomprehensible except, perhaps, by a leap of faith.

Daniel is quite possibly the most blurred, indeterminate, and inconclusive film ever made. The only thing we know for sure after seeing this movie is that it is awful to be 10 years old when your parents are sent to the electric chair. But has anyone ever devised a cheaper shot? How can anyone not be anguished at the sight of two small children running away from a waifs' home only to find their own home all boarded up? Not to speak of meeting their parents (one at a time) in the visitors' room at Sing Sing? Meanwhile, of the many important questions faintly suggested by *Daniel,* all of which have their source (and perhaps their answers) in the Rosenberg case, not a single one is dealt with seriously by Sidney Lumet. Why were lower-middle-class Jews of that generation attracted to the Communist party? Does Daniel think his parents were guilty or not? If innocent, were they tried and convicted for their beliefs (because "the country had lost its mind," as one Rosenbergian critic suggested in a review), for their Jewishness, or what? Does Daniel join the antiwar movement out of filial loyalty or considered political judgment? It is simply impossible to say.

Daniel barely escapes. What saves him is that he finally understands. It is not at all clear what exactly he understands. But he does. He joins the movement against America.

Messrs. Lumet and Doctorow are on record as stating that their story is not about the Rosenberg case at all. This claim is not credible, in view of the many references to the case in the film. Mr. Doctorow himself, in this connection, said something very revealing. "To get back to the Rosenbergs," he said, "they're dead. And no description of their guilt or innocence is going to bring them back. The meaning lies not in what they've done, but what we've done to them. That's what fascinates people who think about our national identity."

Forget about the meaning of the Rosenbergs' lives, you understand, because what counts is what "we" did to them. What we did was to snatch beautiful happy young parents away from their children and kill them. Neither Mr. Lumet nor Mr. Doctorow can deal seriously with

what the Rosenbergs did because what they did was to aid a power, the Soviet Union, that threatens our national identity in a most fundamental way.

In the years since the Rosenbergs were tried and executed, anticommunism has become a somewhat unpopular political attitude among America's political and cultural elites. For a variety of reasons, it has become fashionable to be, on the contrary, rather anti-American. You might almost say that anti-Americanism took the place of that fierce faith that Chambers discovered in American Communists. It is not an orthodox sort of faith, but it has its orthodoxies, and Mr. Doctorow expressed one of them, perhaps unwittingly, with his little remark about what we did to them. Daniel's parents are victims of an omnipotent machine; his sister falls victim after a pathetic degeneration into madness; he barely escapes. What saves him is that he finally understands. It is not at all clear what exactly he understands. But he does. He joins the movement against America, in support of people who are killing Americans in Vietnam, just as his parents supported people who were killing Americans in Korea. This is a leap of faith if ever there was one, and though most critics have panned this scene, it is the best one in the movie.

For what this final scene in Sheep's Meadow (in New York's Central Park) shows is that our own failings seem to preoccupy some people more than what our enemies might be capable of doing to us. This attitude has had its ebbs and flows. It is not exactly in the ascendant at the moment, but that is not to say it doesn't have its strong currents. The Rosenberg story, though dated, is valuable to this current of thought because it poses the fundamental questions rather starkly. Did the United States have the right to defend itself, as anti-Communists would maintain, even if that meant carrying the battle to two seemingly defenseless young parents? The anti-anti-Communists, as the party of appeasement is sometimes called, would answer no ("what we did to them"), for this would only make us less worthy of our own ideals. This is the real significance of the story and of the way Mr. Lumet chose to shoot it. To him, attacking Communists is a waste of time that could be used to improve ourselves. Only, what with all that we know about the Soviet Union and about communism, what we knew in 1951 plus all that we've learned since then, it might not come across very well if one said that the Rosenbergs were right to spy for the enemy, helping it obtain weapons that could destroy us totally. On the other hand, it is not difficult to say that the Rosenbergs, or at least the Isaacsons, were nice people and it was a shame that they had to hang. This is, if one will, soft anti-Americanism, anti-Americanism only halfway out of the closet. For those who cannot say they prefer communism to American democracy (because in many cases they quite honestly don't), *Daniel* offers a cheap way to feel good about feeling lousy about America.

Roger Kaplan

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A Vital Moral Force in America

Reflections of a Neoconservative (Looking Back, Looking Ahead), *by Irving Kristol (New York: Basic Books).*

Midway through this collection of his writings, Irving Kristol sets out eight points that he believes are the distinctive features of neoconservatism:

- "[The relation of neoconservatism] to the business community—the traditional source of American conservatism—is loose and uneasy, though not necessarily unfriendly."
- "Neoconservatism is antiromantic in substance and temperament . . . it regards political romanticism—and its twin, political utopianism—of any kind as one of the plagues of our age."
- "Neoconservatives are admiring of Aristotle, respectful of Locke, distrustful of Rousseau."
- "Neoconservatives do not think that liberal-democratic capitalism is the best of all imaginable worlds—only the best, under the circumstances, of all possible worlds."
- "Neoconservatism is inclined to the belief that a predominantly market economy . . . is a necessary if not sufficient precondition for a liberal society . . . It also sees a market economy as favorable to economic growth."
- "Neoconservatives believe in the importance of economic growth . . . as indispensable for social and political stability."
- "Neoconservatives . . . are not libertarian . . . A conservative welfare state . . . is perfectly consistent with the neoconservative perspective. So is a state that takes a degree of responsibility for helping to shape the preferences that people exercise in a free market—to 'elevate' them . . . The current version of liberalism, which prescribes massive government intervention in the marketplace, but an absolute laissez-faire attitude toward manners and morals, strikes neoconservatives as representing a bizarre inversion of priorities."
- "Neoconservatives look upon family and religion as indispensable pillars of a decent society. Indeed, they have a special fondness for all of those intermediate institutions of a liberal society which reconcile the need for community with the desire for liberty."

Many a New Righter will likely read this and exclaim, "That's me." Those eight points come closer to a general statement of what some in the New Right strain of conservatism believe than anything else in popular print.

Mr. Kristol begins this collection with a memoir of his life as a campus radical at the City College of New York. It is clear that Mr. Kristol, then a member of the Young People's Socialist League, profited greatly from the nonstop exchanges and serious debates that took place, particularly in Alcove Number One, a corner of the rancid City College lunchroom. This was the era when the effective opposition to dedicated Communists came from the likes of the Trotskyist Left. "Joining a radical movement when one is young is very much like falling in love when one is young," Mr. Kristol observes. "The girl may turn out to be rotten, but the experience of love is so valuable it can never be entirely undone by the ultimate disenchantment."

Coming from near-slums gave Mr. Kristol a people's perspective on life that he never lost through his journey from student intellectual activist to spokesman for a unique brand of conservatism.

In the final chapter, "Christianity, Judaism and Socialism," a revised version of a lecture he once gave to professors and students of divinity, Mr. Kristol defends orthodoxy in religions.

He calls himself a neo-orthodox Jew, that is to say, nonpracticing but very sympathetic to orthodoxy, and he goes on to admonish the Catholic church, for which he says he has enormous respect, in a profound and insightful manner. "Young people do not want to hear that the Church is becoming modern," Mr. Kristol told his audience, who must have been astounded. "Go tell the young people that the message of the Church is to wear sack cloth and ashes and to walk on nails to Rome, and they would do it. The Church turned the wrong way. It went to modernity at the very moment when modernity was being challenged, when the secular gnostic impulse was already in the process of dissolution."

In the chapter entitled "Pornography, Obscenity and the Case for Censorship," Mr. Kristol makes a simple but devastatingly effective point that if those libertarians who are against all forms of censorship really don't believe that no one was ever corrupted by a book, then "you have to also believe that no one was ever improved by a book (or a play or a movie)."

In a 1983 essay entitled "The Emergence of Two Republican Parties," Mr. Kristol displays an understanding that far surpasses the vision of the entire GOP leadership, the whole *National Review* and Old Right crowd, and most contemporary political commentators. It is a stinging indictment of the Reagan administration's failure to take risks to change things in America. Its corollary is a 1982 essay in the section of the book on foreign policy, which concludes with this statement: "Most American

conservatives, and most Republican leaders, equate conservatism with a desperate, defensive commitment to the status quo, not with staking a claim on the world's future. They are risk-aversive, in both temperament and policy. And in an era of ideological politics, the risk-aversive most emphatically do not inherit the earth."

No book with writings that span more than 30 years can be an even product. Although his essays on culture, political philosophy, and foreign policy are sharp and decisive and make entertaining reading, the section entitled "The Political Economy of Neoconservatism" drags on and on.

The "Adam Smith and the Spirit of Capitalism" chapter no doubt is useful in those forums that debate such things, but it is hardly of great moment to the general reader. Some subjects are hard to make interesting, and although certain of Mr. Kristol's interpretations put great economic questions in proper perspective, the overall effect of the economic section of the book is not crystal (no pun intended) clear.

Neoconservatism, as Mr. Kristol readily admits, is much harder to define than other types of conservatism, and this book is more a reflection of the man than of the movement. It is most interesting for the glimpses it provides into the character of Irving Kristol, a man whose incisive commentaries are respected by ally and adversary alike. Serious students of contemporary politics require it to deepen their understanding of a vital moral force in America.

Paul M. Weyrich

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Lock Them Up and Other Thuggery Stoppers

Crime and Public Policy, *edited by James Q. Wilson (San Francisco: ICS Press).*

Digesting the voluminous data on crime in America is the task that Harvard political scientist James Q. Wilson assigned himself and 14 other experts. Their evaluations and summations of recent research cover crime rate trends, criminals' characteristics, unemployment and crime, the role of the family and community, crime in the schools, "criminogenic commodities" (alcohol, guns, and drugs), police patrol strategies, prosecution practices, court procedures, and the prison system.

A clear note of optimism is sounded: The era of ever-increasing crime rates may be at an end. According to mathematician Jan Chaiken and sociologist Marcia Chaiken, FBI statistics and independent "victimization" studies suggest that crime has been generally steady since 1973; some data show small declines, and others indicate slight increases. After rising more than 250 percent since 1962, serious crimes peaked in 1980, held steady in 1981, and dropped by 4 percent in 1982.

Two reasons for this apparent stabilization emerge from *Crime and Public Policy:* demographics and policy initiatives. Males in their late teens and early 20s make up the most crime-prone segment of society. As the post–World War II baby-boom generation grew up, crime began to skyrocket. Demographics alone will not explain the crime rates experienced in the sixties and seventies; crime rose at a much sharper rate than could be predicted by age factors. But with the general aging of the population, a drop in crime can be expected and may indeed have already begun. Each year a substantial portion of the criminal population spontaneously gives up criminal activity. As aging criminals "retire," fewer teenagers replace them. Consequently, crime rates should remain stable well into the 1990s.

Discredited Ideas

Accompanying this demographic phenomenon has been a tougher, more intelligent approach to controlling crime. Rehabilitation, once the unchallenged guiding philosophy of the justice system, has been discredited. We quite simply do not know how to rehabilitate criminals. Accordingly, the concepts of "selective incapacitation" and "just deserts" (punishment) are replacing rehabilitation.

Over 50 percent of our crime is caused by less than 10 percent of the criminal population. To identify these career criminals, special teams of prosecutors, usually with federal assistance, have been created in some 100 local jurisdictions. Ensuring that habitual miscreants are swiftly incapacitated by stiff prison sentences is most effective in dealing with robbery and burglary. As for other types of serious crime, Paul Greenwood of the Rand Corporation observes, "For certain violent crimes—homicide, rape, and assault—selective incapacitation may have little effect . . . arrest rates suggest that the commission of violent crime is so infrequent for any one offender that the overall rate cannot be influenced much by incapacitation policies. For these offenses, sentences will continue to be based primarily on the concept of just deserts . . ."

Among the intellectually chic, it was axiomatic for many years that poverty was the root cause of crime. This assumption did not stand up to rigorous analysis and was laid to rest long ago by Mr. Wilson and others. Unemployment has recently replaced poverty as a fashionable explanation for crime. But this has also proven to be too simple and tenuous a notion.

A Harvard economist, Richard Freeman, examines the statistical studies that have been made of crime and unemployment since World War II and concludes, "if one were anticipating an overwhelmingly strong relation" between crime and unemployment, "one would be severely disappointed." Cutting unemployment from 10 to 5 percent would probably reduce the crime rate by a mere 5 percent, according to Mr. Freeman. The connection between crime and unemployment may be at a much more fundamental level than is generally supposed; that is, the same constellation of personality traits and habits

It has been ever thus: On February 21, 1861, Congressman Van Wyck, a representative from New York, was attacked on the street near the U.S. Capitol.

that makes one a criminal may also make one unemployable.

Though there are no easy answers to what causes crime, the role of the family, society's basic unit, must be critical. Yet social scientists have paid relatively little attention to the relationship between crime and the family. In the finest chapter of the book Travis Hirschi, a University of Arizona sociology professor, tells us, "explanations of crime that focus on the family are directly contrary to the metaphysic of our age. 'Modern' theories of crime . . . assume that the individual would be noncriminal were it not for the operation of unjust and misguided institutions."

Mr. Hirschi outlines research documenting that delinquency is often transmitted from one generation to the next and that 5 percent of the families in a particular study "accounted for almost half of the criminal convictions in the entire sample." And we know that single-parent households are more likely to produce delinquents than two-parent families. Mr. Hirschi also proposes a child-rearing model similar to that of child psychologist James Dobson. The system has four components: affection, close monitoring, recognition of deviant behavior, and immediate punishment. The absence of one or more components may lead to behavior problems that can end in delinquency. The parents of delinquents, for example, often do not recognize the early signs of deviancy, such as lying and disrespect for adults. Unfortunately (or perhaps fortunately, depending on one's perspective), there is little that public policy makers can do to influence family child-rearing practices.

Courtroom procedure, however, can be influenced by political leaders. When citizens and the police complain that obviously guilty criminals go free on "legal technicalities," the technicality is invariably the exclusionary rule. The rule, established by the Warren Court decision *Mapp v. Ohio* in 1961, often comes into play as a result of police searches, later deemed improper or illegal, that uncover incriminating evidence. In legal parlance, ill-gotten evidence becomes the fruit of the poisoned tree and is not admissible at trial. Because critical items of evidence have been suppressed, the accused may be released.

The purpose of the rule is to protect citizens from unwarranted police intrusions. Presumably, if the police know that their evidence is going to be thrown out of court, they will refrain from engaging in illegal searches and seizures. But Steven Schlesinger, director of the Bureau of Criminal Statistics, demurs: "Empirical studies of the deterrent effectiveness of the rule conclude that it does not deter" police misconduct. Other studies reveal that the rule protects career criminals but not law-abiding citizens. Mr. Schlesinger argues that "criminal activity is predominantly a public concern" and that "a person

who uses his home to store bodies or as a drug factory forfeits his right to privacy."

In the sixties and seventies the focus of attention within the justice system was on law enforcement: raising the level of police professionalism, testing the validity of various patrol strategies, and so forth. Now the focus has changed to the prison system with its severe, often inhumane, and dangerous overcrowding. In a sense, the crime crisis has shifted off the streets and into the prisons for the same reasons that the crime rate has stabilized—demographics and policy.

The baby boomers who helped create the crime epidemic of the sixties and seventies are now jammed into the prisons of the eighties. "The shifting age mix that should generate a lower crime rate over the 1980s can be expected to generate larger prison populations," writes Alfred Blumstein of Carnegie-Mellon University. This paradox emerges from the difference between peak crime and peak imprisonment ages. A criminal typically begins his career as a teenager but does not accumulate a serious enough conviction record to warrant prison (at least in the eyes of the courts) until he reaches his mid-20s.

Tougher criminal sanctions over the last eight years have also played a role in increasing prison populations. The sixties and early seventies were characterized by a relatively soft, sympathetic attitude toward criminal behavior; between 1960 and 1970 the prison population actually fell from 213,000 to 196,000. During the 1970s, however, it became apparent to even the most ardent liberal that the crime rate was of frightening proportions. Public outrage led to longer prison terms for more criminals. The prison population rose 40 percent between 1975 and 1979. At this writing it stands at around 400,000—approximately 25 percent above capacity. Another 100,000 or so people are languishing in local jails. Altogether, there are more inmates than police officers in America. A delicate balance always exists in correctional institutions between the staff and the inmates. Overcrowding shifts the balance in favor of the inmates—usually the most brutal and ruthless among them. A severely overcrowded institution is a managerial nightmare that can end in rioting, death, and destruction.

No Choice

Mr. Blumstein examines the options available to decision makers for resolving the overcrowding crisis. The obvious solution—building new facilities—is a costly proposition. Maximum security cells run between $50,000 and $75,000 a piece; and the annual upkeep for a single inmate is between $10,000 and $15,000. Mr. Blumstein favors various measures short of new construction, including alternatives to conventional incarceration, shorter sentences, the early release of prisoners, and rationing among magistrates the number of people who can be sent to prison. He argues that in much of the country the problem will resolve itself as prison populations stabilize in the 1990s.

But contrary to what Mr. Blumstein seems to believe, growth areas, such as the Sun Belt, that already have antiquated, deteriorating, overcrowded institutions really have no choice. Policy makers will need to persuade their constituents to cough up the money needed for new construction. This is a difficult but not impossible task; the voters of California (where prisons are 40 percent above capacity) recently approved funding for a prison-building program.

Although *Crime and Public Policy* is directed explicitly at state and local officials, anyone having an interest in crime, criminals, and the justice system would benefit immensely from this readable volume. The 15 chapters, each of which can be read independently of the others, are concise (approximately 20 pages), usually lucid, and, for a book written by a group of academicians, remarkably free of social science jargon and obfuscation. And the index and footnotes are valuable guides to further research.

John T. Fennell

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Reich's Mark

The Next American Frontier, *by Robert B. Reich (New York: Times Books).*

Robert B. Reich is one of the leading intellectual spokesmen for the Democratic party these days. Indeed, two of its presidential candidates, Gary Hart and Walter Mondale, have appended their generous compliments to the book's jacket. So Mr. Reich must be taken seriously, if for no other reason than the strong possibility that his ideas could find their way into the speeches of the Democratic presidential nominee.

Mr. Reich, who teaches business and public policy at the John F. Kennedy School of Government at Harvard, argues throughout his 12-chapter study that the United States must promote an integration of its "civic culture," which embodies social welfare and participatory values, and its "business culture," characterized by individual responsibility and freedom. He maintains that our traditions of economic individualism and distrust of government have for too long prevented us from recognizing that our civic and business cultures are integrally tied in with each other. In his words:

> In countless ways Americans are called upon to choose between these two sets of central values—social justice or prosperity; government or free market; community or freedom . . . [But] this choice is falsely posed. In advanced industrial nations like the United States, drawing such sharp distinctions between government and market has long ceased to be useful. Government creates the market by defining the terms and boundaries for business activity, guided by public perceptions of governmental responsibility for the overall health of the economy. Business, meanwhile, is taking on tasks that once were the exclusive province of government, involving responsibility for the work communities that are coming to be many Ameri-

cans' more important social environment. The interwoven organizations of government, business, and labor together determine how America's resources are allocated and employed. Public and private spheres are becoming indistinguishable.

He argues that unless America recognizes the indistinguishable nature of the public and private spheres, we will lose in global competition to those countries—the European Economic Community, Japan, and advanced Third World nations—that imaginatively combine the two spheres in their international economic policies. Our real choice, insists Mr. Reich, "is between shielding America from a changing world economy and adapting to engage the new realities of international competition. Only adaptation can lead to renewed prosperity."

Sharpening Our Competitive Edge

In his view, adaptation involves a move away from what he sees as an outmoded concept of production, the manufacture of high-volume, mass-production goods. We must scrap that emphasis and in its place adopt more specialized modes of production where the United States retains a competitive edge—in other words, we must move away from the manufacture of "basic" goods, such as autos, steel, and textiles, and toward more specialized, higher-valued products, such as specialty steel and chemicals, computer-controlled machine tools, and advanced automobile components.

This transition will not be easy, Mr. Reich acknowledges. But it must be carried out, given the reality that a growing number of other countries—Taiwan, Singapore, and South Korea, to name three—are currently able to outcompete the United States in the production of those basic goods.

To make the transition, however, Mr. Reich believes we must adopt the practices of the Europeans and the Japanese, who long ago recognized the vital link between their civic and business cultures. In practice, this means abandoning traditional hierarchic modes of management practice, substituting for them the more collaborative, group learning, and teamwork traditions of our competitors.

The book is well written, and Mr. Reich's emphasis on the domestic implications of America's international competitiveness is well placed. However, the book contains four major weaknesses.

First, it remains an open question whether the U.S. competitive position, both at home and abroad, has eroded to the extent that Mr. Reich maintains it has. According to a recent study by Robert Z. Lawrence, an economist at the Brookings Institution, American industry has more than held its own over the past decade. Mr. Lawrence maintains, in fact, that America is holding its own in the competitive race and that our manufacturing sector remains strong. If there is a competitive challenge facing the United States, it lies in developing a more realistic exchange policy. It has been the overvalued dollar that has caused our recent competitive difficulties. Perhaps we need to shift away from those basic sectors—autos, steel, and textiles—that form the heart of our industry, as Mr. Reich urges. But we first need to be better informed about our competitive weaknesses and strengths.

Second, it is questionable whether the United States can make up for the loss of its basic industries by producing larger amounts of more specialized products, like precision castings, specialty steel, and luxury automobiles. Indeed, as can be seen by the frequent calls by domestic industry for protection against specialty steel imports, the international competition in the production and sale of high-value products is at least as intense as for the low-value lines.

Third, the author is too uncritical in his admiration of both the Japanese and the Europeans, particularly the latter. One need but recall that until recently, the pages of the *New York Times* were full of admiring pieces on the "German model" and what this country could learn from that efficiently run economy. Today, the Federal Republic is being forced to roll back many of the social welfare policies that Mr. Reich so unreservedly praises. The same goes for Sweden, another country that conforms to the author's vision of a modern economy. This isn't to slight the experiences of other countries. Labor-management relations in Japan and West Germany seem more harmonious and productive than ours, for example. But if recent European experience is any guide, a merging of civic and business virtues, as envisioned by Mr. Reich, could in the end do more to disrupt than heal the U.S. economy.

Finally, Mr. Reich's condemnation of modern business practices—running the gamut from how managers treat their employees to short-term strategies for boosting profits—tends to put too much of the responsibility for the nation's alleged economic decline on the shoulders of what the author derisively calls "paper entrepreneurs." Some divestitures and some acquisitions (U.S. Steel's purchase of Marathon Oil, for one) are undoubtedly wasteful exercises. But Mr. Reich's charge that these practices result in substantial losses of investment remains debatable.

John M. Starrels

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Short-Circuiting the First Amendment

Technologies of Freedom, *by Ithiel de Sola Pool (Cambridge, Massachusetts: Belknap Press of Harvard University Press).*

The printing press media are largely unregulated, and the free flow of information is protected by the First Amendment. Telephone wires and the radio spectrum, however, are heavily regulated and not well protected by the courts. What would happen, then, if the electronic media supplanted print as the means of communication?

Two developments make this question more than hypothetical. One is the convergence of technologies. Text

that was once confined to the printing press, for example, is now sent over telephone wires or transmitted via satellites and microwave relays. Because of such advances in technology, print is no longer an isolated production technique; it is married to electronic means of communication.

With the convergence of technologies has come the other development: the growth of conglomerates whose business is both the protected print media and the regulated electronic field. The danger is that government officials will use their regulatory power over the conglomerate's activities in a regulated field to control its activities in the communications field—thus negating the First Amendment.

Eviscerated Freedom

Since the courts define free speech as the freedom of private owners of a medium to say what they wish using it, the solution is full private ownership—and thus deregulation—of all media. Mr. Pool's book on free speech and the electronic media explains to the untutored reader the technological and economic intricacies behind the political issues.

With some important exceptions, Mr. Pool respects the institutions of private property and the free market as he charts a legal and ideological course to deregulate the all-important information industries. Already employing about half the work force, they are likely to be an ever-larger segment of the American economy. Deregulation would place these industries under some of the strongest protections that exist in the American political system—those of the First Amendment.

Freedom of speech over the electronic broadcast media is at present eviscerated by government controls. Mr. Pool makes a convincing case that broadcast frequencies should be treated as private property and that broadcasting should have full First Amendment protection, exactly like the print media.

Instead, the fairness doctrine, equal-time rules, and reasonable-access rules impose controls on the specifics of political reporting and advertising. And license renewal procedures by their very nature can only intimidate broadcasters, thereby imposing indirect controls on overall programming.

Undue Process

The record of government officials does not inspire confidence in their regulatory self-restraint. For instance, the U.S. postal system has denied use of the mails to the politically unorthodox—most notably to critics of slavery, the Spanish-American War, and World War I. The mail of those suspected of disloyalty has been intercepted and opened, without even a bow to judicial due process. Even today, postal statutes deny use of the mails to many of the religiously and medically unorthodox, and without observing the due process of criminal proceedings, the government punishes those who violate the postal statutes.

Mr. Pool gives an excellent summary of policies that through the forties banned materials from the mails. But because he neglects the recent record of extralegal violations of privacy and slights the burdens still imposed, for example, on those who offer alternatives to the medical establishment, he is too sanguine about the current situation.

The most troubling aspect of Mr. Pool's book is his proposal to give common-carrier status to cable TV. This would deny cable owners the editorial prerogative to determine what they transmit. What he wants to do is make cable rather than broadcasting the exception to the rule that private owners of a medium have the right to say what they wish using it.

Cable systems are natural monopolies, Mr. Pool argues. But natural monopoly is a questionable notion, derived from a view of competition that is based on utopian models, not real-world business rivalry. The reality is that in more than 25 cities at least two cable franchises are in direct competition. Moreover, every other medium of communication is in actual or potential competition with cable. Subscription television, multipoint distribution service, over-the-air broadcasting, satellite master antenna television systems, microwave master antenna television systems, video cassettes and discs, and movie theaters—all these are current competitors with cable systems, and more media will appear as technology advances.

Regulation by Invitation

Such competition is the natural state of affairs, just as it was when railroads, telephone companies, and gas and water companies billed themselves as natural monopolies and invited regulation. Their purpose: to bar new entrants to the business and limit price competition. If Mr. Pool's common-carrier regulations are imposed in the name of natural monopoly, the current problems of the railroads and other common carriers will emerge in the cable industry.

Mr. Pool predicts that common-carrier regulation of cable is virtually inevitable—a prediction based on a theory of technological determinism. According to this view, dispersed technologies are not regulated, but concentrated technologies are. One would therefore expect the dispersed trucking industry and the dispersed movie theaters to have resulted in little or no regulation of those industries. In fact, precisely the opposite has been the case.

Interestingly, recent legislation suggests that the tide is running against his theory: In 1983, Congress voted to forbid any government agency to regulate cable systems as common carriers or public utilities.

With the exception of his prescriptions for cable, Mr. Pool offers a sober and sound guide to the policies that should be pursued to protect civil liberties as technology changes and the boundaries that once separated publishing, broadcasting, and telephone service become more blurred. Conservatives and libertarians will welcome his book as a useful illustration of how civil liberties depend on economic freedom.

Williamson M. Evers

WILLIAMSON M. EVERS, *a doctoral candidate in political science at Stanford, was the founding editor of* Inquiry.

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Short Shrift

KGB Today: The Hidden Hand, *by John Barron (New York: Reader's Digest Press).*

John Barron's sequel to *KGB: The Secret Work of Soviet Secret Agents,* published in 1974, will probably become as much of a classic as its predecessor, and deservedly so. A writer who worked in naval intelligence, he tells the stories of three men who spied for the Soviet Union and whose careers as secret agents came to an end in the late 1970s: Stanislav Levchenko, a Soviet intelligence officer who defected to the United States from his station in Tokyo in 1979; "Rudolf Herrmann," a Czechoslovakian spy who for 20 years maintained a false identity in three countries and oversaw the work of his wife and son in espionage for the Soviets before the FBI caught up with him; and Professor Hugh Hambleton, a Canadian economist who served the KGB for neither money nor ideology but apparently for the compulsive fun of it. Mr. Barron recounts their motivations, techniques, and mistakes in a highly readable and insightful way. His book also contains important chapters on Soviet technological espionage and on "active measures," the Soviet term for covert action. The latter chapter concentrates on KGB manipulation of the nuclear freeze movement and is by itself worth the price of the book.

Yet there is much the West has learned about the KGB in the last decade that Mr. Barron does not discuss as fully as he might: support for international terrorism, the assassination attempt on Pope John Paul II, propaganda and disinformation, manipulation of other Western political movements, the use of satellite services in Eastern Europe and Cuba, and the increasingly important role of the KGB in running the Soviet state itself. Obviously, there is a limit to what can be put into a single book, but Mr. Barron's readers can hope that he will not wait another nine years before publishing a third volume.

Samuel T. Francis

SAMUEL T. FRANCIS *is a legislative assistant for national security issues for Senator John East of North Carolina and has written extensively on international terrorism.*

Natural Resources: Bureaucratic Myths and Environmental Management, *by Richard L. Stroup and John A. Baden (San Francisco: Pacific Institute for Public Policy Research; Cambridge, Massachusetts: Ballinger Publishing Company).*

A quiet revolution in environmental theory began in 1968 with the publication in *Science Magazine* of ecologist Garrett Hardin's essay "The Tragedy of the Commons." Mr. Hardin showed that most environmental problems result from resources' being treated as common property—owned and used by everyone. This arrangement creates perverse incentives. Each user of a commons gains full benefit of what he takes, but the costs are borne by all the users. A cattle rancher grazing his animals on a common pasture benefits directly from the forage his cattle consume, but all the users must pay for the overgrazing, erosion, and range deterioration. Thus each user of a common resource races to capture its value before others do. The logical result is environmental degradation.

This insight paved the way for a new environmental theory: property rights environmentalism. The inescapable conclusion of Mr. Hardin's theory was that the solution to environmental problems lay in creating private property rights in land, wildlife, and even water and air—at first blush, a radical idea. Yet this would simply entail privatization of existing common or state-owned property. And as 40 percent of U.S. land area is owned or controlled by some level of government, privatization would also restore the principle of private property ownership. Too few people appreciate the irony that nearly half of this free country's land is controlled by government.

How would this work with water and air? The owners of private property rights would seek redress for damage to their water and air from the activities of others, collecting damages for the harm done and obtaining injunctions preventing any further invasion of their property. In Great Britain, for instance, where there is private ownership of streams and fishing rights, property owners have strong incentives to protect the value of their property, and if the activities of adjacent property owners result in pollution or siltation of their streams, they can and do take them to court. The result is a healthier environment.

Likewise, a legal system that recognized the right of private property owners to clean air could have prevented industrial pollution. If pollutants from a factory upwind of a farm destroyed crops, it would be a clear case of invasion of the farmer's property.

Economists Stroup and Baden argue that property rights are the key to resolving seemingly intractable environmental problems. Exclusive, secure, and transferable private property rights create positive incentives that drive resource

owners to conserve and preserve their property. When a grazing pasture is owned privately, the rancher still gains the benefits, but he also bears the costs. Thus he has strong incentives not to overgraze his lands. If he does, he destroys his own wealth and is soon driven out of business.

The authors demonstrate that bureaucratic management of resources is inherently flawed and doomed to failure because of the perverse incentive structures existing within governmental agencies. Self-interest is directed into "rent-seeking" behavior—that is, resource users (whether timber companies or backpackers) use lobbying, legislation, and lawsuits to gain control of the management agencies and effective control of resources. This produces steadily growing bureaucracies, cyclical patterns of utilization and preservation of the same resources, resource deterioration, and a nation of competing resource users.

The choice facing us is not between a free market system and environmental preservation. Instead, we can have both.

Robert J. Smith

ROBERT J. SMITH *is director of the Free Market Environmental Program of the Competitive Economy Foundation and the author of* Earth's Resources: Private Ownership vs. Public Waste *(Washington, D.C.: Libertarian Party).*

What If? *edited by Nelson W. Polsby (Lewis Publishing Company).*

What if the newborn United States had not been able to agree on a constitution to replace the Articles of Confederation? What if Nazi Germany had developed the atomic bomb? What if Abe Fortas had not resigned from the Supreme Court in 1969 but instead, as President Johnson intended, had become its chief justice?

What if sixteen prominent political scientists were asked to speculate on what would have happened if a historical event of their choice had turned out differently? Their voyages into nonhistory form *What If?* Some hypothesize that a small turn of events might have had momentous consequences; others argue that a large turn of events might have mattered scarcely at all.

University of Rochester Professor William H. Riker asks what would have happened if Constitutional Convention delegate Elbridge Gerry had voted as expected on the Connecticut Compromise of 1787. The Connecticut Compromise offered to settle the dispute between the more populous states, which wanted state representation in the national legislature to be in proportion to population, and the less populous states, which wanted all states to be represented equally, by establishing a bicameral legislature with one house modeled on each principle. With Gerry's last-minute switch to a yes vote, the compromise passed. Professor Riker postulates that had the compromise failed, the United States of America would today be as fragmented as the nations of Latin America, whose common European heritage and nearly simultaneous revolutions produced many nations, not one.

Taking a different approach, UCLA Professor Robert C. Fried convincingly argues that even if Nazi Germany had developed the atomic bomb, the Allies would still have won World War II, since the Axis lost to a combination of Allied scientific prowess, extraordinary intelligence gathering, and overwhelmingly superior manpower and natural resources.

In speculating on what would have happened if Abe Fortas had been chief justice of the Supreme Court, Berkeley Professor Robert A. Kagan argues that a liberal would have had just the opposite effect expected. A Fortas court that tried to go still further in the Warren direction would have risked a backlash and the loss of some accomplishments. In fact, he says, only a conservative Court could have consolidated the civil liberties gains of the Warren era.

The approach is entertaining, and the speculative essays raise questions about the very nature of history. What differences can individuals make in shaping events and institutions? Can any single accident or even a conscious action change the broad sweep of history?

Orde Kittrie

ORDE KITTRIE *is a student at Yale University.*

Quadrant: 25 Years, *by Peter Coleman, Lee Shrubb, and Vivian Smith (St. Lucia, Queensland: Queensland University Press).*

That generation of Americans now retiring knows of Australia mostly as an ally in the Pacific war against Japan. Over a million U.S. servicemen fought with Australians and many were based in Brisbane and other Australian cities. In the 1950s and 1960s Australia was mostly known to Americans by its sportsmen—tennis players, golfers, and swimmers. But little is known of Australian political culture.

If you are curious about that, this book is not a bad buy. *Quadrant* is Australia's best intellectual magazine and its only serious nonleftist one. It publishes poetry and stories, but it has paid a price for that literariness. With its political and public policy content thus diluted, it has not been widely read by civil servants, journalists, politicians, and others dealing in the daily political contest.

The dilemmas, debates, and contests of public life have similar themes in all Western countries. The emphases and nuances differ, of course, but American and British readers will find many echoes of their own countries' contemporary agonies and idiocies in this volume. Peter Shrubb's wonderful description of a week of lunchtime meetings at Sydney University could have been at New York University or the London School of Economics. Frank Knopfelmacher, a Czech-Jewish refugee from the Nazis, was a Communist during World War II but moved like Koestler and Sidney Hook and describes nicely how he came to see the Stalinist god as a failure.

Lauchlan Chipman discusses

multiculturalism with passion and wit. That is the Australian version of the ethnic racket, whereby old-fashioned political logrolling is dressed up with the rhetoric of compassion by political entrepreneurs. Various essays discuss the "new class," the new establishment that still manages what Les Murray calls "the image of itself as a valiant downtrodden band bearing aloft the torch of enlightenment against all oppression." He remarks nicely: "We have reached the age of privileged, often subsidized martyrs."

Finally, Australia's great satirist Barry Humphries, well known also in Britain but unfortunately little known in the U.S., offers a sketch of an Australian film producer, Phil Philby, speaking on receipt of a Gold Goanna Award for Outstanding Excellence in Australian Cinema: "I dunno what to say . . . but . . . you're beautiful. I thank you. All of you. I'm knocked out. It's just amazing. A lot of people have asked me how I came to make a two and a half hour documentary film on the subject of discrimination against lesbianism in an aboriginal women's prison. The answer is a simple one: the New South Wales Film Corporation gave me one point two million dollars to make it."

Peter Samuel

PETER SAMUEL *is a correspondent for the Murdoch newspaper group in Washington.*

The Media Monopoly, *by Ben Bagdikian (Boston: Beacon Press).*

The free press in America is being threatened by growing corporate control, argues Ben Bagdikian, a well-known media critic, Pulitzer-prize-winning writer, and former ombudsman at the *Washington Post*. In their race for short-term profits, he says, the newspaper, magazine, and broadcasting media are serving the interests of advertisers more than the citizens of the country. To these developments he attributes certain disturbing changes in the form and content of news reporting. Political news is often reduced to "personal melodrama," for example, and irrelevant fluff pads the pages of many American newspapers.

Fifty corporations control the majority of America's print and broadcast media, and twenty newspaper chains control more than half the daily newspaper sales. Mr. Bagdikian's documentation of corporate ownership of the media is interesting. But the central problems in the media today are the herd mentality and double standards that prevail among the elite—issues that have nothing to do with corporate control, and issues that Mr. Bagdikian does not address. Why, for instance, do the media harp on human rights violations by America's allies but give minimal coverage to the atrocities committed by the U.S.S.R. and its surrogates?

The book concludes with a strident attack on the "arrogance and greed" of corporate America. Mr. Bagdikian calls for a "drastic reordering of power in American society." He challenges people to make their voices heard against the "dangerous military-industrial-media complex" and says change will come if people extend the work of those who produced the vote for the nuclear freeze.

Although Mr. Bagdikian sets out to critique corporate control of the media, in the end he fails to demonstrate how corporate ownership affects news content, digressing instead into his own anticapitalist diatribe.

Candace Strother

CANDACE STROTHER *works in the White House's office of public liaisons.*

Sweet Land of Liberty? *by Henry Mark Holzer (Costa Mesa, California: Common Sense Press).*

Henry Mark Holzer, perhaps best known as one of Walter Polovchak's courtroom advocates, argues that the Supreme Court's unwillingness to embrace personal liberty as an absolute value has compromised the framers' commitment to "inviolable individual rights." To his credit, Mr. Holzer is consistent: In his view, conscription, wage and hour regulations, antisodomy laws, zoning, obscenity statutes, and antiabortion measures are equally bad. All these forms of power over the individual represent the Court's use of "altruist-collectivist ethics to create a statist government in America."

Although Mr. Holzer purports to find his principle of individual rights in the Constitution, his definition—"the only basis for relations between people is voluntary consent"—and its supporting philosophy (explicitly derived from Ayn Rand) are decidedly extra-constitutional. Ironically, despite Mr. Holzer's libertarian viewpoint, he never acknowledges, let alone resolves, the philosophical objections to social contract theory.

Mr. Holzer's position is unsupported by historical conceptions of the ideal state, in which certain forms of human behavior were unabashedly regulated to promote particular societal values. One can be consistent with classical liberal theory and still agree with conservatives who regard as an important right a majority's ability to make collective decisions concerning community values and moral norms.

The human condition prescribed by the Constitution is not anarchy but ordered liberty. The mix of liberty and order in our society contemplated by the common law, and chosen by the framers, permits regulation in certain spheres. As Justice Robert H. Jackson stated, "This Court has gone far toward accepting the doctrine that . . . all local attempts to maintain order are impairments of the liberty of the citizen. *The choice is not between order and liberty. It is between liberty with order and anarchy without either.* There is a danger that, if the Court does not temper its doctrinaire logic with a little practical wisdom, it will convert the constitutional Bill of Rights into a suicide pact" (Terminiello v. City of Chicago, 1949).

Mark S. Pulliam

MARK S. PULLIAM *is an attorney practicing in Los Angeles.*

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policy
REVIEW

The populist tradition runs deep in the hills and hollows of West Virginia, strengthened by memories of the Mining Wars in the early part of the century. The state's voters learned on their grandfathers' knees how United Mine Workers organizers had to fight pitched battles against Pinkerton guards hired by management; one coal company went so far as to hire a private air force that dropped explosives on striking mine workers. Today there is still a strong antipathy to business, especially multinational corporations, which are associated in the public mind with coal barons and absentee ownership. And these historic resentments are preventing West Virginians and their elected representatives from coming to grips with their economic distress.

From "West Virginia's Rocky Road,"
by William P. Cheshire.